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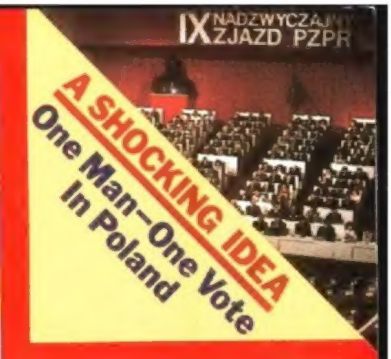

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JULY 27, 1981 Vol. 118 No. 4 **TIME** THE WEEKLY NEWSMAGAZINE

A Letter from the Publisher

America's military security depends in part on its ability to respond quickly to unexpected challenges. As the TIME staffers assigned to this week's cover story on the U.S. military discovered, reporting on the vast and myriad dimensions of the nation's armed forces often called for the same sort of responses. To get the striking photographs that accompany the story, Photographer Neil Leifer spent four days in basic training with a brigade at Fort Knox, Ky., while Photographer Mark Meyer visited a strategic Air Force base in the Northeast and joined a B-52 bomber crew on a simulated nuclear-alert mission. After getting a look at a Boeing air-launched cruise missile plant in Seattle, Meyer moved on to Eglin Air Force base in Florida, where he covered one of the largest peacetime parachute drops in U.S. history. Says he: "It's one thing to read about military hardware in the newspapers and quite another to stand on the runway as a B-52 flies overhead. Up close, it's all tremendously impressive."

Suro

Meyer

Chicago Correspondent Patricia Delaney, who as a child visited uncles who were resident officers at Fort Sheridan and the Great Lakes Naval Training Center, returned to both bases and found that for today's officers the quality of life has "deteriorated sharply." Bonn Correspondent Lee Griggs was also struck by the poor conditions he encountered as he traveled to U.S. bases across West Germany. Says Griggs: "There is a great deal of concern here that the situation could possibly undermine morale and thus military preparedness. It is an appalling story of decay and neglect."

To assess sophisticated modern weaponry, Correspondent Jerry Hannifin not only talked with Army generals, civilian experts, scientists and military aviators but also went up for a test ride in an F-18, the latest U.S. combat plane. Correspondent Roberto Suro spent the past five months tracking Defense Secretary Caspar Weinberger, this week's cover subject, and interviewed academic experts and defense industry executives. He found that the language of war has also become more sophisticated. Says he: "One learns that the future is the 'outyears' and that battles no longer have front lines but instead have FEBAs—for Forward Edge Battle Areas." Correspondent Johanna McGeary got both Republican and Democratic views of the issue in Congress. She concluded that one thing can be said for certain about America's new defense buildup: it will cause many a war on Capitol Hill. "The American public may say they want bigger and better guns and armies, but they have no idea as yet what the social and economic cost will be," observes McGeary. "There are crucial choices to be made, and they will be hard indeed."

John a. Meyer

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Cover: Illustration by Marvin Mattelson.

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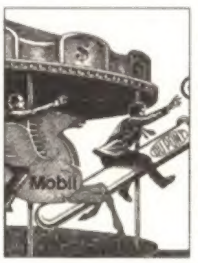

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Letters

High on Cocaine

To the Editors:

The use of cocaine [July 6] is more evidence of the rottenness and decay of our society. We beat our chests and proclaim ourselves the strongest and most powerful country on earth, but our enemies know destruction will come from within.

Primitivo D. Roca, M.D.
Rochester

Imagine a $30 billion-a-year tax-free business! Ironically, cocaine dealers don't pay the IRS through the nose like the rest of us poor taxpayers.

Mary Jane Mullins
Louisville

The way to deal with drug abuse is not through law enforcement alone. Society must begin to tackle the pressures that push people to such extreme forms of escape.

Jerry D. Colonna
Ozone Park, N.Y.

Is there anyone left out there who still enjoys the basics, like walking, talking and breathing?

Donald W. Hahn
Jackson, Wyo.

Everyone, and I mean everyone, lives with the same pressures that drive celebrities into using coke. These people are like any junkie walking the streets of New York City—stupid.

George Grajkowski
Hastings, Minn.

The fingernail of the bejewelled person shown snorting cocaine was bitten to the quick. Do coke users become anxious, or do anxious people become coke users?

Bruce Munson
Monona, Wis.

Your cocaine cover was the last thing we who work in drug abuse prevention or treatment needed. While TIME's intentions were probably good, the story perpetuated the symbols and myths that give coke its allure and encourage its use. The mystique of the drug scene makes for good reading and bad living.

John McVernon, Chairman
New York State Association of Substance Abuse Programs
New York City

Confronting Nuclear War

Your Essay "Looking Straight at the Bomb" [July 6] reveals the dilemma we face because of "no thought" and the inability of our leaders to dare to spend billions for peace negotiations rather than for armaments and bravado. Mr. Reagan and his circle should remember that pride goeth before a fall.

Ansel Adams
Carmel, Calif.

Weapons, weapons everywhere. I no longer ask if there will be a better tomorrow. My only question now is: "Will there really be a tomorrow?"

Amita Kapoor
Durham, N.H.

Those of us who want our children to enjoy this beautiful earth know we can survive only if we refuse to accept the "inevitable" proliferation of nuclear weapons. Either we stop the production of these devices now, or we shall all be looking straight at the Bomb.

Ariana Clarke Windle
Standlake, England

I refuse to accept Armageddon, not because I refuse to look at the Bomb's drab snout, but because I have too much faith in humanity to believe that after all our evolution and history, our triumphs and failures, our knowledge and learning, some overreacting Zeus will make us vanish in one mighty poof of a fireball.

Rusi N. Motiwalla
Santa Barbara, Calif.

Women and the Draft

With so many people of this country crying "Ratify ERA!" how could the Supreme Court, in all its wisdom, uphold male-only draft registration [July 6]?

Rick Loewe
Millbrae, Calif.

The courts probably never considered the egalitarian nature of their decision. When women have an equal hand in making war, then let them be drafted to wage that war.

Lisa M. Siegel
Los Angeles

Wanted: Skilled Workers

Your article "A Shortage of Vital Skills" [July 6] failed to mention one of the chief reasons that nobody goes into tool-and diemaking any more. For the past 20 years, policies of the Federal Government have encouraged everybody to get a higher education whether it was right for the individual or not. Now we have a lot of college graduates who are barely able to spell their own names.

Since President Reagan has started cutting back on student loans, perhaps more people will become machinists and laborers. This, combined with increased pay, should eventually get things back to a more natural balance.

Bill Dekle
Nashville

The machinist is the most educated, lowest paid, least appreciated of all the skilled workers, receiving barely one-half the hourly rate paid to those in the construction trades—electricians, plumbers, welders, etc. I love machine tools, but who wants to be a machinist?

Mario Centenaro
Nanuet, N.Y.

My father has been a tool-and-die worker for more than 40 years. He has always earned better-than-average wages and enjoyed his work. I wonder if people realize that masters of this craft have minds of mathematical geniuses and hands that surgeons would envy.

Bonnie Gahry Powell
Randolph, N.J.

Iraq's Reactor

I was both shocked and dismayed by the erroneous allegation in your story "Could Iraq Have Cheated?" [June 29] that my wife was an Israeli, and by the implication that my testimony on the inadequacies of the International Atomic Energy Agency safeguards was, as a result, biased. My wife was born and raised in California.

Roger Richter
Former IAEA Nuclear Safeguards Inspector
Washington, D.C.

Campaign to Clean Up TV

I agree that there is too much sex and violence on TV [July 6]. But to return to the Ricardos and the Cramdens of *I Love Lucy* and *The Honeymooners*, as the Moral Majority's Dan Fore suggests, would be ridiculous.

Lucy Ricardo was a scheming, deceitful, bubble-headed idiot. Ralph Cramden was a pompous, irrational, loudmouthed, overbearing jerk. Are these the examples Mr. Fore would set before his children as good marriage partners and role models?

Judy Ruths
Minneapolis

If TV is only a mirror of society, then how is it that on a television police drama, the cops will see more action in one episode than most cops see in 20 years? In a

Dynasty- or *Dallas*-type show, the corporate head will bed more secretaries than his true-to-life counterpart could hope to in a lifetime. Does *CHiPs* really reflect the average highway patrolman?

I am a truck driver, and the next time I'm stopped by a CHiP officer, I only hope it is Erik Estrada and not the real thing.

Jay Kelley
Vallejo, Calif.

Air Safety

Your article on proposed on-board aircraft-collision avoidance systems, "Safety Bubbles in the Sky" [July 6], repeated a common but erroneous allusion to the 1978 San Diego mid-air collision, stating that "a small private plane crashed into a commercial jet."

According to the National Transportation Safety Board's final report, the "probable cause" of the accident was the failure of the crew of the Boeing 727 to maintain visual separation from the Cessna 172, which was overtaken and run into by the commercial jet.

Bothwell G. Lee, M.D.
Boston

Modern Illnesses

Your article "New Maladies" [June 29] prompts me to report another one. After 30 years of driving a large gas-guzzling automatic-shift car, I switched to a four-cylinder gas saver and developed "manual-transmission knee" from operating the clutch.

Ruth Dwyer
San Mateo, Calif.

I too am an avid Space-Invaders player, and although I fortunately do not suffer from the painful wrist ailment you described, I do occasionally have another notorious illness, "Space-Invaders hand." The symptom is a painful stiffness centered on the top of the hand about an inch and a half from the knuckles. I believe that this is caused by the unnatural angle at which one must keep his hand to play the video game.

Maurice Baumgarten
New York City

Proper Behavior

In spite of the advice given in *Debrett's Etiquette and Modern Manners* [July 6], the technique for the proper way to eat a pea can be found in these lines remembered from grammar school days.

I eat my peas with honey,
I've done it all my life.
It makes the peas taste funny,
But it keeps them on my knife.

Betty B. Muir
Atlanta

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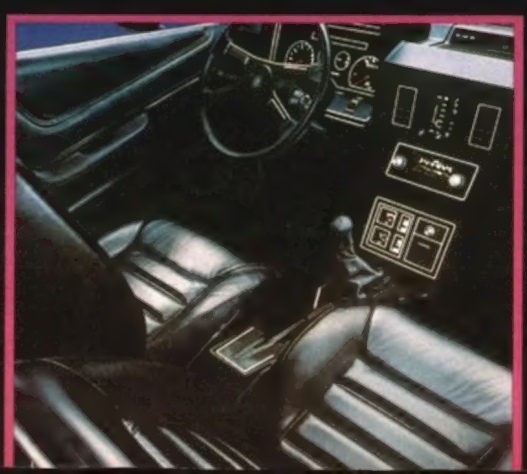

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MARK MEYER

TIME/JULY 27, 1981

COVER STORY

Arming for the '80s

The trillion-dollar question: What kind of defense to buy?

The issue is nothing less than how best to deter a Soviet nuclear attack on the U.S. The complexities are so tangled that they have preoccupied Secretary of Defense Caspar W. Weinberger almost from the day last January that he moved into the E Ring of the Pentagon, and they have given countless anxious moments to Commander in Chief Ronald Reagan as well. But the legislative timetable permits no further delay. So, before Congress breaks for its monthlong August recess, the Administration hopes to disclose what kind of missile and bomber forces it proposes to deploy to maintain U.S. retaliatory capacity through the rest of the 1980s and probably well into the 1990s.

Whatever the decision, it is certain to touch off a loud postrecess wrangle in Congress, which must put up the money —perhaps $100 billion eventually. But that multibillion-dollar controversy will be only the first in a long series of tormenting decisions that will involve nearly every aspect of the Administration's plan to commit a staggering $1.5 trillion over the next five years to the biggest peacetime military buildup in U.S. history. Additional arguments are in immediate prospect, or already in progress, about everything from the size of aircraft carriers to the size of pay raises for Army noncoms and Navy petty officers.

Convincing the nation that an ultraexpensive rearmament program is necessary and deciding on its approximate size were the opening, and easiest, steps in getting the buildup going. Now comes the far more difficult job of making hard choices about exactly what that mountain of money should be used to buy—and what ought to be bought first.

The chances are that one of the initial decisions to be announced will involve intercontinental ballistic missiles. The nation's land-based missile force—1,052 Minuteman and Titan missiles stored in silos scattered across seven states—is widely feared to be vulnerable to a Soviet surprise attack. Reagan and Weinberger inherited from the Carter Administration a plan to shuttle 200 MX (Missile Experimental) launchers, carrying ten warheads each, among 4,600 shelters along a vast "drag strip" in Utah and Nevada. The MX would be bigger, more powerful and more accurate than a Titan or Minuteman, and the Soviets, in theory, would never know which of the shelters to target with their missiles if they decided to attack. The scheme has been criticized both because of its cost—in excess of $75 billion—and because it would tear up enormous chunks of America's West. (The drag strip would occupy an area the size of New Jersey.)

Three conservative Republican Senators from the region, Reagan's friend

More important than flashy weapons to military strength or weakness: Army recruits on basic-training march in Kentucky

Paul Laxalt of Nevada and Orrin Hatch and Jake Garn of Utah, have come out against the plan—so have leaders of the Church of Jesus Christ of Latter-day Saints (the Mormon Church), an especially powerful force in Utah. In addition, Weinberger reportedly is concerned that the Soviets, unless restrained by a new SALT agreement, could use the eight years it would take to complete the land-based MX system to deploy enough of their own intercontinental warheads to wipe out all 4,600 of the shelters.

A presidential study commission headed by Dr. Charles Townes last week presented its recommendations to Weinberger, but its report—still not final—only intensified the debate within the Pentagon. The commission members could not agree on any one strategy. The approach that seems to be gaining Weinberger's favor is a two-step policy.

1) Deployment of a pared-down number of MX missiles—100 is the figure most frequently mentioned—in the Southwest, but not along the drag strip, which Weinberger increasingly fears would be too costly. Instead, some Townes commission members and Air Force officers propose grouping the missiles and their shelters in "valley clusters"; for example, in one area, five missiles might shuttle around a cluster of 50 shelters. That cluster plan, proponents contend, would still make it difficult for the Soviets to target the missiles but would require far less money and destroy much less land than the drag-strip.

2) Placement of some future MX missiles in the air to be launched from a specially designed new plane, tentatively christened the "Big Bird." In a 1974 test, a missile was dropped by parachute out of the cargo doors of a C-5A Galaxy; presumably the Big-Bird system would work about the same way. At the first sign of a crisis, some Big Birds, each carrying one or two missiles, would take off; by staggering the flights, a number of planes could be kept aloft continuously, essentially invulnerable to Soviet attack. This "Air-Mobile" deployment system would take many years to perfect; the plane has yet to be designed, and the MX missile would have to be modified to get rid of its first-stage booster rocket and to make it smaller than the 71-ft. behemoth designed to be launched from the ground. Moreover, some form of land-based MX deployment would have to precede an Air-Mobile system if the U.S. is to retain any hope of persuading European countries to accept the stationing on their soil of American theater nuclear weapons targeted on the Soviet Union. The Europeans would argue that they should not accept the risk of harboring new land-based missiles unless the U.S. does so as well.

The Administration is contemplating several other ideas to diversify U.S. missile forces and protect them from Soviet attack. One is to resume development of antiballistic missiles to guard MX clusters, and perhaps Minuteman and Titan silos. (ABM's, however, could not actually be deployed unless the U.S. renounces or renegotiates the SALT I treaty with the Soviet Union that was signed in 1972.) Another idea is to put nuclear warheads on flocks of what seems to be the most interesting weapon in the entire U.S. arsenal: the cruise missile. In contrast to ballistic missiles, which are guided to a point in the sky and then fall as artillery shells do, cruise missiles, like pilotless airplanes, are guided all the way to their targets. They can be fired from almost any kind of vehicle roaming the land, sea or air. But the U.S. military has just begun to explore the strategic implications of mass deployment of cruise missiles.

The second big immediate decision, which could well be announced simultaneously with or even before the MX program, might seem easier, since its cost is less and it entails no environmental problems. But it is four months overdue. Weinberger initially expected to reveal in March what sort of intercontinental manned bomber the U.S. would build to replace its aging fleet of 316 B-52s, whose

The M-1 Abrams tank: Does it show what is right with weapons policy, what is wrong—or both?

mission it is to retaliate against the U.S.S.R. if a nuclear strike is ever mounted. But here the Secretary ran into a dilemma that bedevils all such programs: whether to wait for the development of hot new technology, at the price of forgoing a weapon that could be used quickly, or order arms that could be put into production rapidly, at the cost of settling for something less effective than a later one could be.

From the start, the Secretary wanted both: an entirely new bomber, incorporating "Stealth" technology (curving, streamlined shape and special materials among other things) that would make it almost invisible to Soviet radar but would not be available until the early 1990s, and a new version of the B-1, which could be ready by roughly 1986 and would be capable of penetrating Soviet airspace. These B-1s could be converted into flying platforms to launch small missiles once a Stealth penetration bomber became available. This B-1 would not simply be the already obsolescing plane that Jimmy Carter canceled in 1977; among other technological improvements, it would be equipped with new radar to find and fix on targets and electronic gear that could foil Soviet radar. But planemakers and Air Force officers presented Weinberger with three entirely different proposed B-1 configurations and offered wildly conflicting estimates of the time and cost required to get each into the air.

At one point, Weinberger reportedly was about to give up on the B-1 and recommend concentrating entirely on Stealth. But then the Air Force leaked word that it would even accept a cut in fighter production to get a B-1. Republican leaders in Congress insisted to Weinberger and Reagan that modernizing the bomber fleet could not wait on the development of Stealth technology. So the Pentagon seems about to go back to the B-1–plus–Stealth plan.

The Administration will portray these huge and immediate bomber-missile decisions as part of a coordinated strategy to preserve for years to come a nuclear capability that would be impervious to Soviet attack and ensure the capacity to strike back with devastating force. But there are certain to be strong objections in Congress. While many powerful legislators favor the B-1, others fear it will swallow as much as $25 billion that, in their view, would be better spent rushing Stealth technology. And there are 35 MX deployment plans that have been mentioned in Congress.

The Administration argues, not without cause, that a massive military buildup is necessary as both a deterrent and a symbol of U.S. resolve to combat Soviet adventurism. However, some military experts, including former Secretary of State Cyrus Vance and onetime SALT Negotiator Paul Warnke, contend that Reagan and Weinberger have exaggerated the nation's present and future strategic vulnerability. Others argue that the MX and B-1 are weapons designed solely for the least likely war the U.S. may have to face: a nuclear exchange with the Soviet Union. Even if available today, these armaments would not deter Kremlin-inspired aggression in a limited theater of operations —Central America, say, or Poland. Meanwhile, the Administration has yet to clarify what it intends to do, beyond spending money, on an equally urgent problem: how best to strengthen the nation's rundown conventional forces.

The needs here are extreme. If it came to a fight, the military pessimists contend, the U.S. couldn't lick a stamp. That is not so. But America's armed forces have planes that cannot fly for lack of spare parts and warships that are being kept in port by a shortage of sailors to crew them. U.S. Army units in Europe, by some estimates, would run out of ammunition after only two weeks of conventional war. Worst of all, perhaps, the U.S. has an announced commitment to oppose by force any Soviet move toward the Persian Gulf oilfields, but today might have to resort to tactical nuclear weapons to block such a thrust.

These frightening deficiencies are the result of a decade of neglect, following the winding down of the debilitating U.S. involvement in Viet Nam. Increases in military spending fell below the rate of inflation from 1969 through '77, and nosed upward in real terms only slightly thereafter. This erosion of the nation's ability to defend itself was, in a way, a bipartisan policy that began with Richard Nixon, who boasted that he was the first President in 20 years to devote a greater share of the national budget to social programs than to defense. Gerald Ford proposed some modest increases in real defense spending, but they were trimmed back by the overwhelmingly Democratic Congresses of his day. Jimmy Carter closed a Minuteman assembly line, canceled the neutron bomb and delayed cruise missile production. The public's insistence on "no more Viet Nams" and a hope that détente with the Soviet Union would make war unlikely contributed heavily to the military-spending holddowns and stretch-outs. And if that did not constitute trouble enough, the Pentagon added to the problem by squander-

ing billions of dollars on new weapons systems that developed embarrassing flaws.

By the start of the 1980 election campaign, however, the climate had changed drastically. The humiliating failure of the Blue Light rescue mission in the deserts of Iran in April 1980 burned an impression of military incompetence deep into the American mind. In a single decade the nation had not only lost a war, it could not even cope with the seizure of its diplomatic personnel by a revolutionary government in Iran. With that, the public suddenly took heed of a troubling fact: the Soviet Union had engaged throughout the 1970s in a substantive buildup in all forms of its armament.

The importance of statistics on the U.S.-Soviet military balance can be, and is, debated endlessly and inconclusively. The trouble is, the numbers do not reveal qualitative comparisons. For example, the Soviets have nothing to match a brand-new U.S. spy plane, the TR-1, that went into service last week; its cameras from an altitude of some 80,000 feet can draw a picture of enemy movements 200 miles beyond a battlefield. Though the Soviets have more submarines, the U.S. can easily detect where they are—whereas the Soviets, so far as is known, have never tracked even one of the 2,000 voyages that U.S. missile-firing submarines have made, some of them very close to the U.S.S.R.'s shores. In sum, the Soviets are not ten feet tall, nor are American forces midgets.

Nonetheless, two key facts emerge. First, the Soviets have built up their military forces far beyond anything that would be needed to protect themselves from outside attack. Second, in any conventional war involving Soviet forces, the U.S. would not be operating in what American officers describe, apparently without irony, as the "benign environment" of the Korean and Viet Nam wars. In both those conflicts, the Navy convoyed troops and supplies to far-off battlefields without opposition and the Air Force maintained almost unquestioned command of the skies. In any future war in which the Soviets might intervene, U.S. ground troops are likely to come under heavy bombing and the Navy would face a true challenge at sea.

Put all these trends together and the '80s become, in Weinberger's words, "the dangerous decade." The U.S., he insists, must scrap its strategy of preparing for 1½ wars (Viet Nam was the half). It must get ready to fight against Soviet or Soviet-inspired thrusts in several areas at once —the Persian Gulf, Central America, Africa and Central Europe, say. Does that mean 2½ wars? Weinberger shies from using fractions but says, "We must be able to defend ourselves in wars of any size and shape and in any region." Some critics counter with the argument that the U.S. cannot police the world and that such simultaneous wars are not likely. The fact is that U.S. weakness makes them much likelier. Moreover, Weinberger insists, military planners can no longer assume that a conventional war would last only 60 to 90 days before ending or going nuclear, but instead must prepare for conflicts of indefinite duration.

Senate Military Reformers: Nunn of Georgia

Colorado Democrat Gary Hart

Maine Republican William Cohen

To do all that takes money on an almost unimaginable scale. The $1.5 trillion Reagan intends to devote to the military from fiscal 1981 through '86 would be enough to pay off the entire national debt, with $300 billion left over. It would finance a full year's output of goods and services by so mighty an industrial power as Japan. It comes to more than $10,800 from every American who paid taxes on 1979 income.

For the moment, the national consensus in support of a stronger military is the broadest that has existed in at least a dozen years. Indeed, the early stages of the Reagan defense program have been moving through Congress with barely a whisper of dissent. The Senate in May approved a $136.5 billion weapons-buying budget for fiscal 1982, which starts Oct. 1, by a vote of 92 to 1. The House last week followed with a vote of 354 to 63 —and this at a time when Congress is agreeing to deep cuts in federal spending for food stamps, Medicaid, aid to education, Social Security and many other social programs.

But to keep the consensus functioning, the Reagan Administration will soon have to answer a long string of critical questions. What kind of global strategic doctrine will govern the deployment of U.S. forces? What kind of weapons are needed to carry out that doctrine? What is the proper mix of spending between strategic nuclear forces and conventional forces? Between sophisticated new weaponry and operations and maintenance —the unglamorous and often neglected budget account that covers such essentials as ammunition, spare parts and training? What kind of pay-and-promotion policy will attract recruits, and what will keep the skilled technicians who fly the planes, sail the ships, fire the artillery? Can an adequate force be fielded without the draft, which both the Administration and Congress dread? Finally, can U.S. industry, for which military production is essentially a sideline, turn out weapons in the quantity required by the buildup that Ronald Reagan contemplates?

The Army alone will have to replace several whole categories of weapons—tanks, helicopters, antiaircraft and tank-destroying systems —in the next few years. It is also wrestling with the question of how to integrate the present structure of big divisions, supposedly capable of fighting anywhere, with new, smaller units that would specialize in, say, desert or mountain warfare. Says the Army's Chief of Staff, General Eugene C. Meyer: "This is going to be a watershed year. Decisions about what the Army is going to be for the next 20 years will have to be made." For Navy planners, choices of what kinds of ships to build, as the fleet comes up to 600 vessels by the end of the decade, will have especially long-lasting consequences. A *Nimitz*-class nuclear-propelled aircraft carrier ordered this year (and the Administration wants to start three of them, at a cost of $25.5 billion to $31.5 billion, counting planes and escort vessels) would not join the fleet until 1990. However, it would be launching planes for perhaps 30 years after that.

Many Senators, Congressmen and defense analysts worry because the Reaganauts have shown little willingness to make hard choices according to some definite strategic plan. Some questions they want answered: To what extent will greatly increased arms sales abroad starve U.S. forces of badly needed equipment? Should the Administration really be adopting a bold, fight-everywhere strategy while stressing America's current military vulnerability? What priority should be assigned to nuclear *vs.* conventional weapons when it seems clear that not enough money will be available, even under Reagan's spending plans, for the military to do everything it wants in both realms?

Instead of grappling with such problems, the critics fear, the Administration

Weinberger: The Knife Is Moving Sharply

The incident is already a Pentagon legend. On one of his first days as Secretary of Defense, Caspar W. Weinberger, 63, arrived at his desk to find a report giving the reasons for a single budget item; it was 2,916 pages long. Weinberger hit the roof, to the extent that his easygoing temper can fly. He called for an all-out war on the stultifying proliferation of paper and procedures throughout the department. As a senior official put it, the bureaucratic problem of putting together a budget had become so imposing that "the numbers were driving the policy. We set out to reverse that." Thus did the new Secretary begin to do what the President had chosen him to do. More manager than strategic thinker, Weinberger, in the words of a Reagan aide, "is someone who will run the place."

In running the place, Weinberger draws on a long history of administrative experience. He earned the President's respect and confidence in the 1960s as finance director in Reagan's California cabinet, and has remained close to the President. As Director of the Office of Management and Budget under Richard Nixon and as Secretary of Health, Education and Welfare under both Nixon and Gerald Ford, Weinberger became known as "Cap the Knife," the vigorous slasher of budgets and waste.

The Secretary inspecting a tank at U.S. Army base in Germany

Since coming to the Pentagon, the Knife has focused on paring away bureaucratic procedures and recarving department responsibilities. He has yet to make a dent in the bloated Pentagon budget, but his procedural reforms may, in the long run, yield substantial savings. His principal targets: the Pentagon's elaborate and illogical procurement and budget planning processes. Weinberger has appointed a special assistant to search out waste and fraud and has been open to outside ideas. Elmer Staats, on his final day in office as Carter's Comptroller General, sent Weinberger a letter with 15 recommendations to improve Pentagon efficiency; eleven of the proposals have been adopted, and two more are under study.

A confident administrator who likes to trust his subordinates, Weinberger has sought to decentralize authority within the department. Last March he ordered a 50% reduction in the amount of budget-related paperwork sent to his office, thus shrinking the direct involvement of his personal staff. He has also given new responsibilities to the Secretaries of the Army, Navy and Air Force, whose roles had become largely ceremonial in recent years.

Weinberger's predecessors tended to concentrate power in the Office of the Secretary, involving themselves in decisions at every level and running the Pentagon as if it were a small business. Like Reagan in the White House, Weinberger prefers to delegate, acting as chief executive of a big, diversified conglomerate. At the same time, he will take an avuncular interest in even the lowliest aide and will gladly spare a few minutes to look at a secretary's vacation snapshots. In general, he tries to devote his own time to long-range planning and big issues like the manned bomber or the MX basing system, over which he is apt to fret and ruminate. Some feel that such agonizing takes too long and that he could make up his mind faster.

Weinberger does his pondering in a third-floor Pentagon office, which is dominated by Titian's *Titian and Assistant*, on loan from the National Gallery. Among his redecorating touches: adding some antique military swords to his office and installing a hi-fi system. The Secretary likes to contemplate the nation's security to classical music. He generally arrives at work between 7:30 and 8 a.m. He puts in twelve hours and returns home with a full briefcase for postdinner consideration. He lives in a $750,000 town house near Washington's Embassy Row with his wife of 38 years, Jane; they have two children and two grandchildren. His tireless approach to studying defense problems has generally impressed Pentagon brass. Observes one senior official: "It's impossible to snow Cap." Says another: "He has been briefed and rebriefed and rebriefed, and each time his questions are more sharply focused." The Secretary is also praised for keeping his meetings on the right track. Says one of his aides: "The old obfuscating techniques don't work with Cap. He has an internal gyroscope that keeps his course in any conversation."

Weinberger's redistribution of Pentagon power has enhanced his standing with the brass, but at the same time, it has compelled him to crack down on the services' long tradition of competition and bickering. "Cap has said over and over again that he will not stand for gamesmanship," says an aide. Weinberger quickly demonstrated that he means it. He intervened in the bitter interservice dispute over the Rapid Deployment Force by creating a new four-service command for Southwest Asia. Once when several Air Force generals fell into disagreement over some very basic figures on aircraft costs, Weinberger ended the session and told the officials to come back when they could all argue from the same set of facts. His putdowns are soft, however. Says an aide: "He can chew people out and leave them with their egos intact better than anyone I've seen."

Like Reagan, Weinberger believes that the 1980 election gave the Administration a mandate to revitalize America both economically and militarily. He is passionate about communicating this to the Soviet Union. Says he: "It is no longer safe for the Soviets or anyone else to regard America as weak, irresolute or divided." The Secretary's methods of signaling this hard line to the Soviets are not always diplomatically sound and have upset U.S. allies, particularly in Europe, on several occasions. Secretary of State Alexander Haig has often found himself "clarifying" or otherwise cleaning up after Weinberger's seemingly casual references to such explosive issues as reviving plans for the neutron bomb, linking arms control to Soviet policy in Poland or selling arms to China. While Weinberger has not really trespassed on Haig's turf, he has not hesitated to express views that differ from those of the Secretary of State. He opposed, for example, Haig's effort to set a deadline for arms talks with the U.S.S.R. Yet once the President has spoken, Weinberger abides by the decision. Cap the Knife, with his reverence for good management, is a consummate team player.

is preparing to spend indiscriminately for everything the Pentagon can think of —missiles, ships, planes, tanks, guns, ammunition, spare parts, training, military pay—in the hope that money alone will solve all problems, which it emphatically will not. Complains Democratic Senator Gary Hart of Colorado, who is among the leading defense experts in Congress: "We are just going to spend more everywhere. The Administration's long-term strategy is still a *tabula rasa*." Says Senator William Cohen, a Maine Republican: "They have not totted up the bottom line and set priorities."

If the Administration persists in this helter-skelter approach, warn some of the most fervent hawks in Congress, the present consensus for heavy defense spending could evaporate as quickly as it arose. Says Texas Republican John Tower, chairman of the Senate Armed Services Committee: "We can maintain this level of support only as long as we do it right."

The principal reason is that the bills for pell-mell military spending could well become insupportable. Oregon Republican Mark Hatfield, chairman of the Senate Appropriations Committee, is concerned that "defense spending may cause inflation and the strangulation of capital resources needed by nondefense industry." Some liberal economists share that concern. Lester Thurow of M.I.T. contends that Reagan's defense program could "wreck the economy." Thurow fears that the rearmament will gobble up scarce materials, engineering skills and research talent needed by civilian business—especially those industries, such as electronics and computers, that are expanding rapidly in a generally lackluster economy. This would both weaken the nation's global competitive position and cause inflationary shortages. Says Thurow: "You will see the wages for engineers go through the roof in Boston, Dallas, Fort Worth, Los Angeles, San Francisco. Certain types of equipment will get very expensive." The resulting pressure, Thurow argues, could be contained only by a rate of productivity growth greater than the U.S. has experienced in 16 years (productivity actually declined in 1980). Or it would have to be paid for by tax increases on private consumption—but Reagan proposes to cut income tax rates 25% over the next three years.

Thurow's worries are challenged by Herbert Stein, a chairman of the Council of Economic Advisers under President Nixon. Defense expenditures, Stein argues, will be partly offset by Reagan's deep cuts in social spending. Income tax reductions will prompt enough saving and investment to spur productivity growth. In any case, Stein and like-minded economists point out, even in fiscal 1986, at the end of Reagan's planned military buildup, defense outlays will consume only about 7% of the gross national product—no more than in the late 1950s and early 1960s, when the U.S. enjoyed noninflationary prosperity.

This last calculation, however, assumes that defense bills will be no larger than Reagan estimates—an assumption open to serious question, given the past history of Pentagon cost overruns and the debatable forecasting record of economists. The ballooning has already begun. The anticipated cost of a new infantry fighting vehicle for the Army has doubled from $900,000 to $1.8 million each; the expected price of SOTAS, a helicopter-borne radar system designed to spy out troop movements far behind enemy lines, more than tripled from $8.7 million to $28 million per unit. Many Congressmen fear that unless military outlays are controlled by some strictly enforced set of priorities, they will soar far beyond the projected $1.5 trillion.

Victims of a maintenance backlog: B-52s grounded for repairs at base in upstate New York

Out of mothballs: the battleship *New Jersey*

Costly way to join the missile "revolution"

What if the defense bills fall due in an economy still beset by high unemployment and inflation? Then, says Georgia's Sam Nunn, a Democrat on the Senate Armed Services Committee and a vociferous advocate of a stronger defense, "it won't take the public any longer to sour on defense than on the Great Society." Similar worries have been set forth by the increasingly vehement voice of the military reform movement, a loose coalition of military officers, civilian defense consultants, and some Senators and Congressmen who span the political spectrum from right-wing Republican to liberal Democrat. The reformers do not question the need for more spending. Says Edward N. Luttwak, of Georgetown University, one of the most hawkish members of the movement: "We have underfunded defense so much so long that it would be almost impossible now to spend more and not do some good."

But in seminars, articles in technical journals and a hard-hitting book, *National Defense*, by former Carter Speechwriter James Fallows, the reformers have developed a stern critique of how the Pentagon has been spending its dollars. They accuse U.S. military planners, among many other sins, of designing weapons that are marvels of electronic sophistication but break down frequently and are hard to handle; of following a kind of Maginot Line "firepower attrition" strategy rather than preparing for a war of maneuver; of training officers in the techniques of bureaucratic management rather than the history and art of warfare. Their central point: the Pentagon can spend every dollar the Government can tax, borrow or print and still lose battles with the Soviets—or even the Iraqis—unless it changes its ways.

The reformers' contentions are open to dispute. Unless the U.S. proposes to match the Soviets tank for tank, it must rely on high-technology weapons to "fight outnumbered and win," as the Army's of

ficial field manual puts it. Still, the reformers have caught the ear of an influential group of legislators: Cohen, Hatfield and Alaska's Ted Stevens among the Senate's controlling Republicans; Hart, Nunn and Michigan's Carl Levin among Democratic Senators; Republicans Jack Edwards of Alabama, Newton Gingrich of Georgia and New York Democrat Joseph Addabbo in the House. By immersing themselves in the technical arcana of defense arguments, they have won the respectful attention of their colleagues.

While going along for the moment with Reagan's plans, the reformers insist that the Pentagon justify every expenditure and offer alternative approaches for some weapons systems, rather than presenting Congress with this-is-it-or-else choices. Congress is beginning to "fence in" military appropriations—that is, to vote money for a defense project only on condition that the Pentagon come up with solid evidence that it is practicable, potentially effective and not likely to suffer stunning cost overruns. Says Senator Hart: "If it doesn't make sense, if it's not cost effective, if they can't answer our questions, then we won't buy it, no matter how much we agree with the need for it."

Those congressional rumblings have been heard. Says Weinberger: "While money was and is needed to revitalize our defense establishment, I can assure you we have not, and will not, base our defense expenditures on a 'more of everything' approach." In the fiscal 1981 and 1982 budgets, he says, "we needed to do so much so quickly that the priority problem did not loom as large as it will in the future. Now, for '83 we are coming upon situations that will require some choices." Beyond the B-1 and MX, some of the major choices involve:

The Rapid Deployment Force. It is supposed to be the spearhead of a new global strategy that breaks free of the old obsession with preparing for a war in Europe to counter more varied threats. Weinberger often speaks of the U.S. as an "island nation" heavily dependent on imports of strategic materials. For example, 90% of the chromium needed for jet engines comes from Zimbabwe or South Africa; 90% of the cobalt vital to mining and machine tools is imported, mostly from Zaïre. All are vulnerable to Soviet troublemaking or internal difficulties that could shut off supplies. The most serious threat is to the Persian Gulf oilfields, which supply 40% of the free world's imported petroleum. When the Soviet invasion of Afghanistan raised fears of a move by the U.S.S.R. toward the gulf, Carter announced plans to create a force that could quickly be dispatched to trouble spots halfway around the globe.

It is now 18 months later. The R.D.F. consists of exactly 242 officers operating out of a once abandoned bunker and six trailers tucked away in a steamy corner of MacDill Air Force Base near Tampa. There the officers are drafting plans to combine Army, Navy, Air Force and Ma-

Trials of a Supersub

The Trident submarine program is the most important defense project that the U.S. actually has under construction. At an estimated cost of $1.2 billion apiece, the 560-ft.-long Tridents, each armed with 24 missiles, are to begin replacing the 34 aging Polaris and Poseidon subs that now carry the nation's sea-based nuclear warheads. Started in 1971, the Trident program has been racked by stunning cost overruns, delays and an angry feud involving the Navy and the sub's builder, the Electric Boat Division of the General Dynamics Corp. By now the first Trident, the U.S.S. *Ohio*, should have logged two years with the Navy's Pacific Fleet. Instead, the state-of-the-art leviathan sits, 40% over the original budget and still not quite finished, in its builder's dock.

The latest reports on the *Ohio* are the first hopeful Trident news in years. In June, Captain Alton Thompson took the big black sub out to sea for the first time. The Navy described the three days of trials as "super swell." Electric Boat has promised to deliver the *Ohio* to the Navy by Halloween. A brand-new $706.5 million Trident base is waiting in Bangor, Wash., and the Lockheed-built Trident missiles —each tipped with up to ten warheads—have been ready for two years.

Yet after repeated postponements by its builder, some Navy hands are skeptical about getting the *Ohio* before 1982. Says Republican Congressman David Emery of Maine, an engineer and member of the Armed Services Committee: "The Navy suspects that Electric Boat's information is not quite accurate. Neither side trusts the other." Admiral Hyman Rickover, 81, irascible founder of the nuclear Navy, is especially mistrustful. "They don't care if they manufacture horse turds or ships," Rickover snarled at a May hearing of a House subcommittee on defense. "I wouldn't give those so-and-sos any more contracts until the problems are resolved."

The *Ohio's* construction is a seven-year ordeal of mismanagement. Certain components were made from understrength steel, and the replacement cost was nearly $1 million. The sub contains 117,000 especially important welds; 2,772 were botched. Rewelding cost $2.6 million. Perhaps the most grievous flaw was in the sub's engine. Turbine blades were a few critical microns too large; they scraped their housing and cracked. It required $3 million to put the blades right. Electric Boat insists that it was not at fault, since the turbine was built by General Electric directly for the Government. Indeed, the project is ripe for buck passing; a score of major contractors are involved, and the Navy once had ten officers nominally managing Trident, none with overall authority.

Electric Boat argues that many delays were caused by the Navy, which ordered hundreds of modifications while the *Ohio* was being built. But critics charge that Electric Boat, greedy for work, took on more sub building than it could handle, and won the Trident contracts with bids it knew to be impossibly low. Says Congressman Emery of the company: "I think they're overtasked there. A lot of questions arise when one of the best yards in the world has so many problems." Yet that same shipyard is responsible for turning out seven more of the submarines that are supposed to play a critical role in the nation's defense

FLYER—THE PICTURE GROUP

U.S.S. *Ohio*, first of the Trident supersubs, on successful test run

Overhead view of workmen at Boeing plant in Seattle putting together a cruise missile designed for launching from an airplane

rine units that might be assigned to them in a crisis—up to 200,000 men in all—into an effective expeditionary force, and they are tackling their task with a zesty disrespect for bureaucratic tradition. Marine General P.X. Kelley, the R.D.F.'s first commander (he is about to be succeeded by Army Major General Robert Kingston), pared down lists of the supplies that his troops would lug into battle. Kelley even discovered that an Air Force ground crew is regularly supplied with ten times the quantity of beer and soft drinks that Army forces get. Units assigned to the R.D.F. will lose such amenities

Right now, however, the R.D.F seems to be planning for Mission Impossible. Its orders are to concentrate initially on countering a Soviet invasion of Iran. Kelley reluctantly admits that the R.D.F has no hope of pouring in enough men and matériel to halt the substantial forces that the U.S.S.R. could thrust across its border with Iran. The best the R.D.F. could do would be to land a small "tripwire" force around the oilfields in southern Iran, which the Soviets could not crash through without inviting either massive bombing attacks by American B-52s and FB-111s flying from forward bases in a friendly country, or—the worst-case scenario —the use of nuclear options by the U.S. Some military experts argue that Soviet gains in the Middle East or Southwest Asia are more likely to be achieved by leftist subversion of established regimes than by armed aggression. Valuable though the R.D.F. may be, it would hardly have the capacity to prevent the pro-Western rulers of Saudi Arabia, say, from being toppled by radical Arab neighbors or by an internal, popularly supported revolution. But it may make those who would like to risk such a venture hesitate

Weinberger shortly will give Kingston some actual troops to command: the 56,000 soldiers of the Army's 18th Airborne Corps, now based in Fort Bragg, N.C. Still the R.D.F. faces serious shortages both of manpower—most of the other units earmarked for it are also supposed to be available to reinforce NATO in an emergency—and of equipment. More than that, the airlift and sea-lift capacity does not exist to carry R.D.F. troops into battle as quickly as might be required

This inability to move troops has been developing for a decade, mostly because the Air Force and Navy have given transport a low priority; neither service can summon much enthusiasm for providing a taxi service for the Army and Marines. The number of planes available to fly troops and equipment dropped by 258, nearly a quarter of the force, during the 1970s. The Military Air Transport Command had all it could do last fall to fly a mere 1,400 soldiers to Egypt for a training exercise, Operation Bright Star. The number of cargo ships fell by 297, nearly half the fleet, in the past decade. After the Viet Nam War wound down, the Navy retired a whole generation of World War II–vintage cargo vessels and concentrated its limited funds on building fighting ships. The U.S. has enough amphibious craft to enable a Marine assault group of about 60,000 men to storm a defended beach, but not to land the heavy equipment they would need for a substantive battle. Consequently the R.D.F. could not fight its way ashore to start a major campaign: all present schemes for its deployment assume that it will be invited in by a friendly government. That might happen in the case of Saudi Arabia but, to put it mildly, it is a dubious proposition in Iran

The Army's standard M-16 rifle

Plans to make the R.D.F. rapidly deployable are still rudimentary. The Air Force once proposed to build 130 huge C-X transport planes at a total cost of $17.2 billion, but characteristically wanted to design a plane that could both fly between continents and hop from one battlefield to another, and that could carry heavy tanks and artillery yet land on short, rough runways. In May, the Senate Armed Services Committee, fearing that such a supertransport would take forever to build, all but cut off funds for development. The Air Force is now talking of building an unspecified number of new C-5A Galaxys (it has 77 now). But these planes can land only on long runways, which might be unavailable to the R.D.F

The Reagan Administration is trying to get around the transport shortage by negotiating rights to pre-position supplies in Somalia, Kenya and Oman so that the R.D.F could pick them up on its way into the Persian Gulf region. The Administration also hopes to talk a friendly nation, perhaps Egypt or Oman, into supplying a permanent base for R.D.F. units. That will be far from easy and may be politically hazardous. Providing the R.D.F. with a base might brand a friendly government as a U.S. puppet in the eyes of its neighbors —and its own people. President Anwar Sadat, the closest U.S. ally in the Muslim

An Army of Self-Helpers on NATO's Front Line

At Büdingen, a U.S. Army base near Frankfurt in West Germany, helicopter maintenance crews do much of their work under tents instead of in hangars. They use jury-rigged lighting and, in cold weather, kerosene heaters that military regulations prohibit as safety hazards. Across the road, 36 armed M-60 tanks stand ready to go to war—if they can churn their way out of a vast mudhole that turns into a pond whenever it rains. At Fliegerhorst barracks near Hanau, 15 miles south of Büdingen, helicopter repair crews have taken over the base's only gymnasium. They repack drive shafts on the basketball court beneath a sign that reads NO DUNKING ALLOWED. At Rivers barracks near Giessen, nearly 3,000 soldiers are crammed into what was a Wehrmacht military prison during World War II. "The tip-off is that the barbed-wire-fence topping points in, not out," says an officer stationed there.

There are more than 240,000 Americans in uniform in West Germany stationed at three dozen bases that are supposedly part of NATO's front-line defense. Yet the Pentagon's $20 billion facilities in that country are woefully obsolete and inadequate. The maintenance backlog for U.S. forces in West Germany has reached $1.3 billion. Soldiers live and work in conditions that could cause riots in U.S. prisons. The G.I.s, fortunately, do not riot. They just quit the Army at the end of their tours. When the plum job of command sergeant major opened at scenic, historic Heidelberg, the first three men chosen left the military rather than take the assignment. Those who stay often turn to alcohol and drugs, including heroin. Brigadier General John S. Crosby, who until March was commanding general of the Hanau complex, says: "Inadequate maintenance inevitably produces poor morale. Drug and alcohol abuse are inevitable byproducts."

RICHARD ROSICKA

Soldier repairs tank in the mud at Armstrong barracks in Büdingen

The deteriorating bases in West Germany are not the result of policy but lack of policy. Since the end of World War II, U.S. bases in West Germany have been regarded as "temporary." For years Congress refused to authorize funds to improve them on the ground that it would be a waste of money to maintain facilities that were surely about to be abandoned. The Viet Nam War made maintenance of these bases a secondary concern. After that, improvements were further delayed while diplomats and Army brass tried to persuade the West Germans and NATO to share the cost. West Germany has agreed in principle to offer "host support" but has yet to appropriate a pfennig. Meanwhile, there remains little pressure in Congress to improve maintenance—especially abroad, where jobs would largely go to foreign civilians.

The consequence for U.S. forces in West Germany is not just low morale; there is a growing concern that they could not mobilize quickly enough to ward off a Warsaw Pact attack. According to Maxwell D. Taylor, retired Chairman of the Joint Chiefs of Staff, shortages of well-maintained equipment and of supply units generally mean that in Europe and elsewhere "regular divisions, no matter how prepared themselves, are not in fact ready to perform their combat missions."

Morale would probably be bad anywhere that U.S. soldiers had to sleep 18 to a room, as some have had to do at Hanau, or where soldiers took their exercise in the middle of an active firing range, as at Ayres barracks near Butzbach. But conditions seem especially intolerable in contrast to West German prosperity, both military and civilian. American facilities almost all predate World War II. Some are World War I cavalry stables. In comparison, the bases of West Germany's Bundeswehr were all built after the country was permitted to rearm in 1955 and are meticulously maintained. At Hardthöhe, for example, on the outskirts of Bonn, grass is closely cropped and bald spots are quickly reseeded. Some of the yellow brick barracks are only five years old, and they have Thermopane windows and new, automated heating systems.

G.I.s wash their tanks outdoors with garden hoses, chipping off ice in winter, watching tanks settle three feet deep in mud in summer. "You won't ever see a single U.S. tank in West Germany that's truly clean," says SP/4 Kim Kosko of Smethport, Pa., who is based at Büdingen. West German soldiers use outdoor motorized washracks in summer and heated buildings in winter for tank maintenance and cleaning.

Housing at U.S. bases in West Germany is so short that thousands of soldiers, many with dependents, have been forced into the "local economy." Families may pay $800 a month—more than twice the housing allowance given men living off-base—for apartments that Army inspectors classify as "substandard" or even "uninhabitable." In Hanau, enlisted men must wait an average of 73 weeks for a two-bedroom apartment on-base. In Fulda, junior officers must wait 101 weeks for base housing.

G.I.s in West Germany frequently react to their hardship with gallows humor. A sign in a maintenance shop at McNair barracks near Frankfurt reads WE'VE DONE SO MUCH WITH SO LITTLE FOR SO LONG THAT NOW WE CAN DO ALMOST ANYTHING WITH NOTHING. Indeed, "self-help" is the slogan of the day. G.I.s have worked long hours, and used considerable ingenuity, to keep the tanks moving and make their life a little easier. But even such efforts have their pitfalls. At Monteith barracks near Fürth, a master sergeant who had served as a Green Beret in Viet Nam was reprimanded and reduced in rank after a court-martial last January. The sergeant had bartered his way around snafus in the supply system by exchanging commissary cigarettes for paint, plywood and labor on the local economy to build a handball court for his men. "The guy's a hero, not a criminal," protested one of his superior officers. "He took a dump and turned it into a place of pride. The real crime is not trading cigarettes but the fact that he had to do it to improve the quality of his men's lives." *—By William A. Henry III. Reported by Lee Griggs/Bonn*

world, has said flatly that he does not want a U.S. base in Egypt, and no other country in the region seems willing to offer one —except Israel, where the U.S. would not want to station troops, for fear of further angering moderate Arab countries

Weapons Policy. The M-1 Abrams tank, which went into operation this spring, has been proudly described by the Pentagon as "the keystone of the U.S. Army modernization program." According to various experts, the new tank illustrates either everything that is right or everything that is wrong with U.S. weapons policy. More likely it illustrates both at once. Though the M-1 still has some technical problems, veteran tankers who have driven it say it is a superb machine, better than anything the Soviets can field. The M-1 can whip around battlefields at 45 m.p.h., fire accurately on the run while other tanks have to slow down to aim their guns, and can survive a series of direct hits by antitank missiles.

But the M-1 was also in development for 18 years, during which the Army had to get along with inferior tanks. It costs $2.5 million per vehicle today, a price so high that Reagan had to add almost $1 billion to his budget so the Army could buy 1,289 over the next two years. (Estimated cost of the best Soviet tanks, the T-64 and T-72, $700,000 each.) The M-1's advanced turbine engine gulps fuel at the staggering rate of 3 gal. per mile. Its armor (60.3 tons) makes it so bulky that it cannot be carried aboard any cargo plane except the Galaxy, the biggest thing on wings. Even a Galaxy can haul only one Abrams. Result: the M-1 can be used only in areas to which it can be sent leisurely by ship, meaning Europe and possibly Korea.

The superweapon philosophy that guided the development of the M-1 has ruled the Pentagon since the end of World War II. In part, it reflects the Pentagon emphasis on preparing for a war of massed firepower along conventional front lines in Europe. More important, military reformers charge, the Pentagon has fallen into a "gold-plated mousetrap" of always holding out for the final, supremely costly "last 10%" in technology that might give a weapon an unconquerable edge in battle. Even some military officers agree with this criticism. Says retiring Major General Volney Warner, chief of U.S. Readiness Command: "We have been captives of technology. There is always some development promised tomorrow that we ought to hang on to a weapons system, so that system stays out there ten, eleven, twelve years being perfected and meanwhile we are stuck with old and ineffective weapons."

Soviet weapons-development policy, by contrast, is to freeze early on a design that can be ordered quickly into mass production. Soviet equipment has lots of flaws: its major tanks are subject to engine overheating and transmission breakdowns; their inside space is so cramped that their crewmen cannot be more than 5 ft. 5 in. tall and can load the gun only with their left hand. Quips a U.S. Army report: "The Soviets are in deep trouble if they ever run out of strong left-handed midgets." The Soviets do not seem to be worried. They are turning out tanks at a rate of 2,000 a year.

Less complex Soviet weapons, such as rifles and machine guns, tend to be easily produced and highly reliable. The AK-47 Kalashnikov is the most esteemed and bestselling assault rifle in the world today, partly because it uses standardized ammunition available almost anywhere. The U.S. Army's M-16 is far less attractive on international arms markets: it has never lived down a much deserved reputation, earned in Viet Nam, for jamming frequently.

Turning the Pentagon even partly away from its you've-got-to-have-the-finest philosophy will be difficult, and it is unclear how hard the Reagan Administration intends to try. Says Weinberger: "While we are to some extent prisoners of decisions made long ago, and we thus far must purchase the weapons systems now on the assembly lines, we certainly are not locked into the defense policy of the past Administration." On the other hand, he defends the policy of developing sophisticated weapons. His argument: "We are now facing very much more sophisticated, complex, accurate Soviet weapons. It is not fair, nor is it useful, to send anyone up against equipment of that kind in very unsophisticated, very crude but very numerous counterweapons."

One of the liveliest defense arguments rages around the Navy, which expectably has been assigned a high priority under Weinberger's concept of the "island nation." The Secretary calls the Navy "our primary instrument to project our military power to distant, but vital, regions." To project power, the Navy is wedded to battle groups centered on giant aircraft carriers, preferably nuclear propelled. The Administration wants to expand the number of major carriers from 13 now to 15 by 1992. Allowing for replacement of carriers scheduled to retire, that would require starting three new *Nimitz*-class (93,400 ton) carriers in the next three years.

The huge ships, which can host at least 90 fighter-bombers, have tremendous striking power, can stay at sea for months and, according to one Navy study, could be knocked out of action only by six missile hits. But given the time they need in port for maintenance and the Navy's preference for using them in tandem, even a 15-carrier fleet could keep only five or six task forces at sea at the same time. Also, military reformers argue that the sinking of a single *Nimitz*-class carrier could tilt the naval balance to the U.S.S.R. in an entire theater of war. They advocate numerous smaller, lighter carriers that could do their power-projecting into many more places more quickly. The Navy, says Senator Hart, has regarded such pleas "with an attitude bordering on contempt." It has even refused, Hart says, to provide the Senate with design plans and an analysis of such carriers, despite the fact that the Senate specifically demanded the information.

Indeed, according to military reformers, the Navy's plans play directly into a Soviet sea-warfare strategy that is designed specifically to sink big new carriers. Admiral Sergei Gorshkov, commander of the Soviet navy, has written that "a single submarine is capable of destroying a major surface ship with a salvo of cruise missiles." And the Soviets' "Oscar"-class submarines, put into service last year, can dive deeper and swim faster than anything the U.S. has produced.

The U.S. Navy has been slow to adopt cruise missiles for offensive purposes, even

U.S. *vs.* U.S.S.R.

A numerical comparison of 1976 and *1981*

	U.S.	U.S.S.R.
Strategic nuclear warheads	6,842 ***7,192***	2,943 ***6,302***
Strategic nuclear launchers	1,710 ***1,628***	2,375 ***2,384***
Submarines	115 ***121***	329 ***370***
Large warships	210 ***223***	257 ***268***
Tanks	9,181 ***11,560***	42,000 ***48,000***
Artillery	4,955 ***5,140***	13,900 ***19,300***
Combat aircraft	3,665 ***3,988***	4,740 ***4,885***
Manpower in millions	2.13 ***2.09***	4.88 ***4.84***

Source: John M. Collins, Congressional Research Service

though one admiral asserts: "Cruise missiles are categorically the most revolutionary development in naval warfare since nuclear power." The Navy is trying to make better use of missiles now, but in a way that still illustrates its big-ship fixation: it proposes to take two, and eventually four, World War II battleships out of mothballs and fit them as floating missile platforms. That will be neither quick nor cheap. Recommissioning the *New Jersey*, which has been docked at Bremerton, Wash., since the end of the Viet Nam War, would cost $326 million, but that would be just to get it afloat. Equipping it to launch 100 missiles would raise the total cost to $1 billion, according to Norman Polmar, compiler of the authoritative guide *The Ships and Aircraft of the U.S. Fleet*. Polmar argues that "cruise missiles can be put on virtually anything that floats." He advocates dispersing them among lots of cruisers and destroyers.

That is only one of the innovations that military reformers are demanding. Some others: smaller, lighter fighter planes that, they contend, would be easier to maintain and keep in the air than supersophisticated craft; light tanks for the Rapid Deployment Force that could fit snugly into most cargo planes; greater use by all services of V-STOL (very short takeoff and landing) planes, like the Marine Corps' highly successful Harrier.

Readiness. The Reagan Administration claims to be trying strenuously to put all the armed services in shape to fight immediately. The fiscal 1982 military budget bill passed by the House last week contained $63.3 billion for operations and maintenance, *vs.* $52.4 billion for procurement of new weapons.

Still, there are strong grounds for doubting that Reagan and Weinberger have got the balance quite right. The operations and maintenance figure, big as it is, represents a rise of 13.8%, adjusted for inflation, over 1980; that is less than half the 29.2% increase in the money allotted for buying new weapons. And the services need every penny they can get for spare parts, training and ammunition. The Pentagon comptroller's office estimates that the Air Force alone is short around $4 billion worth of spare parts; that is a major reason why 40% of the 563 U.S. F-15 fighter planes are unable to fly at any given moment. Even the Strategic Air Command, all of whose bombers should be ready to take off instantly, has a lengthening backlog of undone maintenance work. The Army's antitank gunners have so little ammunition that they can fire only one live round a year in training exercises. There are no figures for how far the Reagan budgets will go to solve these problems.

Reserve and National Guard units are supposed to play an important role supporting regular troops, which would take heavy casualties in the early days of a conventional war fought with modern weapons. Most weekend-warrior units are not only undermanned, but their equipment is often so crude as to make training exercises a joke. Example: National Guardsmen use ancient radio equipment that still has 1950s-era vacuum tubes. If ordered to Europe, as they would be in case a war broke out, they literally could not talk to the regular Army units they supposedly would fight beside.

One key decision will provide a clue to whether the new Administration is serious about building up the reserves. The Carter Administration stockpiled supplies in Europe that regular Army troops supposedly could pick up on their way into battle. Reserve units were repeatedly told that the new equipment they had hoped to get for training was being sent to Europe for the stockpile. Weinberger has already said that he will continue the European stockpiling program, but has not specified at what level. Unless the program is reduced in fiscal 1983, top military brass will be unable to believe that the Administration intends to do anything much about equipping the reserves.

Manpower. This may be the most critical problem of all. As Republican Senator Roger Jepsen of Iowa puts it: "We can spend billions annually on the most modern and sophisticated weaponry, but in the final analysis it is the infantryman, sailor, pilot and medic that will determine our nation's strength." For the moment, all the armed services are meeting their enlistment goals and the quality of recruits has improved dramatically. From October through March, 68% of all volunteers joining the Army were high school graduates, *vs.* only 37% a year earlier. The increase coincided almost exactly with the effective date of an 11.4% rise in military pay passed by Congress last year.

But no one believes the problem is solved. Many young men and women undoubtedly are joining up because the civilian unemployment rate is a high 7.3% —which means, ironically, that success for the Administration's economic program could spell trouble for its military manpower plans. If decent civilian jobs are available for high school graduates, there will be fewer volunteers for the armed forces. Reagan's plans could require adding an estimated 200,000 people, perhaps as early as 1985, to the 2,094,000 who were in uniform last Jan. 1. Worse, low re-enlistment rates have left all the services with critical shortages of skilled career people—pilots, electronic technicians, Navy petty officers, Army noncoms. A rise in enlistments does nothing to relieve this problem.

But the Administration is pinning its hopes for attracting more recruits and keeping skilled people in uniform on further increases in military pay and benefits. The Pentagon and Congress are agreed in principle on raising pay for soldiers, sailors and airmen again on Oct. 1. The form of that increase is a subject of serious dispute. The House Armed Services Committee wants to apply a 14.3% increase uniformly to all ranks in all services. The House Appropriations Committee and the Senate Armed Services Committee prefer a raise targeted toward holding career people. In the case of the Army, for example, their plan would hike pay on a sliding scale from 7% for recruits to 22% for top sergeants. (New recruits now get $500 a month; top noncoms with 26 years' experience draw $1,800.)

The Reagan Administration has decided that it would go along with a targeted pay-raise bill, but with some misgivings. Warns Lawrence J. Korb, Assistant Secretary of Defense for Manpower: "We should avoid actions which could be construed as leading to a military establishment manned by various elite groups with the remainder being second-class citizens. We must prevent the

Harpoon of type launched by mistake

Pardon Us . . .

The sun shone brightly as technicians aboard the destroyer U.S.S. *Coontz* checked over its complement of guided missiles. Suddenly, at 3:05 p.m. last Tuesday, a flash and a roar broke the quiet of the tropic afternoon. Officers on the bridge watched horrified as a 15-ft.-long Harpoon, loaded with high explosives, soared off over the blue-green waters of the Caribbean toward the resort island of St. Croix. It vanished completely.

What if the warhead had been nuclear? Then, says the Pentagon soothingly, the accidental launch could never have occurred; safety procedures for nuclear-armed missiles are much more complex. Happily, St. Croix has no early warning system to alert it to a missile attack, and presumably no second-strike capability if it thinks it is being attacked. What if the errant missile had been fired across, say, the Soviet border? The Pentagon trusts no missile would ever be so unguided.

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The Savings & Loan Foundation

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☐ Yes ☐ No

Please fill out this ballot and drop in the ballot box in your nearby Savings and Loan office, or mail to FAIR Savings Certificate, c/o Savings and Loans, P.O. Box 461, Washington, D.C. 20044.

Name _____

Address _____

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T4

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erosion of the concept of unit cohesion and the rise of the notion that the military is just another job."

Reagan has appointed a special Administration task force to study ways to preserve the all-volunteer armed forces, and its top priority is military pay. But whatever kind of military pay bill passes Congress, it is questionable whether the services can ever pay their specialists enough to match the top salaries that civilian employers offer. One example: Duval Price, 26, of Wichita, Kans., joined the Air Force right out of high school. He worked for six years on the Titan II missile system at McConnell Air Force Base near his home town, then walked across the runway to a Boeing plant when his enlistment was up and got hired as an avionics engineer at double his service salary. In the Air Force, says Price, his unit was "undermanned, the morale was low, and there was no initiative given to the lower technicians."

To hold people like Price, some inducement other than pay is needed. Attention is focusing on a revival of the G.I. Bill of Rights, which sent millions of ex-servicemen to college at Government expense but was canceled in 1976.

What kind of bill, though? An offer of generous payments toward a future college education might tempt more high school graduates to volunteer for the military—but it also would practically invite them to quit once their initial enlistments were up. Making benefits transferable to sons and daughters might encourage mid-grade career people to stay on. Among other unanswered questions: Should the size of the payments be geared to a serviceman's rank, or seniority, or skill, or what? The Administration, while vowing to present a new G.I. bill, has put off until next year deciding just what kind of legislation to propose.

In the background of all military-manpower discussions hovers a word that no one wants to utter: draft. The Administration, for the moment, is firmly opposed. Says Weinberger: "I see no need for a peacetime draft." Even military opinion is sharply divided. Some commanders favor the draft as the only way to bring into the services the educated white middle-class youths that they are not now attracting (the military forces are the only major segment of American society in which blacks have on the average more education than whites). But many senior officers dread the idea. They fear that the draft would rekindle the intense hostility toward the military that plagued the armed forces for years during and after Viet Nam. Nonetheless, a growing number of officers and, most reluctantly, Congressmen believe that a draft may be unavoidable.

Defense Production. The defense industry's shortcomings could turn the whole rearmament program into a paper tiger. Defense contractors can produce weapons even at today's slow pace only with ruinous cost overruns. The contractors blame the military for constantly revising plans; the Pentagon blames the contractors for slovenliness and inefficiency. Meanwhile, production lead times stretch out: the order-to-delivery time for Pratt & Whitney's F-100 aircraft engine, for example, has lengthened from 19 to 38 months in the past two years. Experts warn that the industry does not have the capacity to build arms at the pace that Reagan wants. General Alton D. Slay, head of the Air Force Systems Command, told Congress in December that "even if we go all out for mobilization of our resources," the U.S. "would not begin to see significantly larger numbers of planes flying for at least three years."

MARK MEYER

Readiness problem: adjusting a paratrooper's chute

Two weeks' ammunition for the troops in Europe.

Defense industry contractors will need 10,000 machinists and tool- and die-makers by 1985 just to make up for attrition and continue the current inadequate level of production, and they are equally desperate for engineers. Subcontractors are abandoning defense production in alarming numbers, partly because the Pentagon has insisted on funding military projects for only one year at a time, making it difficult for executives to raise money and tool up their plants for sustained, profitable production. Some 1,500 of the 6,000 subcontractors participating in one defense program dropped out in a single year. The deficiencies in defense production are so severe that they have distorted national strategy. One reason that the Pentagon for years has been planning for 60- to 90-day wars is that it did not believe the defense industry could turn out supplies for longer conflicts.

Deputy Defense Secretary Frank Carlucci promises multiyear funding of weapons contracts. That could lure back into defense work some subcontractors who have quit in disgust, and the military budget bill passed by the House last week approves the idea. The Defense Department is also likely to ask Congress for about $500 million in fiscal 1983 to help defense contractors expand production, and $1 billion a year thereafter. Some of the money would probably be used to design and buy Government-owned production machinery for use by defense manufacturers. The Administration is drafting a bill to clarify and broaden its powers to assist defense contractors in preparing for mobilization, but the provisions to date are hazy.

The problems of strengthening the nation's military forces are almost endless. Vast amounts of new money will help, but money simply is not enough. The Administration is right when it contends that it had to get the military buildup started quickly, but avoid rushing into huge decisions that will strengthen or weaken the nation's defenses for years to come. That excuse, however, will not last beyond fiscal 1982. By the time it presents the 1983 budget to Congress next January, the Administration will have to sort out its ideas on what kind of Army, Navy and Air Force (and Rapid Deployment Force) the nation needs for the rest of the 1980s, what weapons they will wield, what kind of strategic doctrine they will be asked to carry out, what sort of manpower policy will fill the ranks, and what assistance the defense production industry needs.

If all that is done properly, Reagan and Weinberger have a once-in-a-generation chance to forge a lasting consensus for a forceful military policy. For the first time since the early 1960s, no voices of any political consequence are calling for substantially lower defense expenditures; most of the arguments are about how much more to spend, and especially for what. But the opportunity could all too easily be missed. One word used with monotonous regularity in the Pentagon and Congress to describe the present consensus for military spending is "fragile." Congress and the nation will strongly support increased military outlays—if the Administration sets clear priorities for a sustained buildup. But that support will be quickly lost if the rearmament program is perceived as nothing more than a crash attempt to solve America's serious national defense problems by merely throwing money at them. —*By George J. Church. Reported by Johanna McGeary and Roberto Suro/Washington, with other U.S. bureaus*

Prime Minister Begin and the State Department's McFarlane clarifying "misunderstandings"

Troubles with a Prickly Ally

Shocks from Israel, as Reagan tries to clarify his foreign policy

"They are rubbing our noses in it. They are trying to drive a wedge between us and the Arabs." That was the way one frustrated State Department spokesman summed up the latest dispute between the U.S. and its prickly ally in the Middle East. All week long, the Administration had been gearing up toward a formal announcement that the shipment of advanced F-16s to Israel, which had been embargoed after the attack on Iraq's nuclear reactor last month, would be resumed. In fact, some of the F-16s had been flown to Pease Air Force Base in New Hampshire for the trip to the Middle East. But then on Friday word reached the White House of the shocking Israeli bombing of Beirut that killed at least 200 and left some 600 wounded (*see* WORLD). The announcement about resumption of F-16 deliveries was abruptly canceled.

DAVID RUBINGER

An American-made F-16 jet on runway at an airbase in Israel

Bombing Beirut the very day new planes were to be delivered.

The Administration refused to link the postponement to the Beirut raid. It even refused to admit that there had been any postponement at all. After reading a statement, written at the White House, that "the U.S. deplores this intensified violence" in the Middle East, State Department Spokesman Dean Fischer insisted that no decision on the F-16s had been made, and none would be announced until Tuesday. But that was not the full story. President Reagan had summoned his top foreign policy advisers shortly before 10 that morning to discuss the Beirut raid. The weapons that the U.S. supplies to Israel are, by law and contract, to be used only for "defensive purposes" —which was why F-16 shipments were halted after the Iraq raid.

There was a consensus that the U.S. would lose credibility throughout the Arab world if it announced a resumption of F-16 deliveries on the very day that Israeli Prime Minister Menachem Begin had once more escalated the stakes in the Middle East, and used U.S. weapons to do it. Defense Secretary Caspar Weinberger took a hard line in the discussions, arguing that the U.S. could not continue to have its nose tweaked by Israel.

Reagan, whose foreign policy calls for strong support of Israel, would clearly prefer to release the F-16s, assuming nothing else goes wrong. The President last week sent his special Middle East envoy, Philip Habib, to Jerusalem to press for a cease-fire in Lebanon. If the raids end, and Habib is not rebuffed by Begin—as he has been in recent shuttle diplomacy trips to Arab capitals—Israel presumably will get its F-16s. If extensive Israeli raids continue, Reagan may have to freeze deliveries of the fighters until things settle down.

Whether or not Begin had deliberately intended to embarrass the Administration, Reagan and his advisers were clearly not prepared for the Beirut raid. Israeli officials predictably objected when the U.S. delayed delivery of the F-16s* following the attack on the Iraqi reactor. Yet Begin and his Cabinet apparently assumed that the delay was only symbolic and saw no need to pay attention to U.S. concerns about Israeli military actions. They were more interested in demonstrating that there were no strings attached to their use of the F-16s. Indeed, late last week Israel condemned as "unfair" the latest delay in F-16 deliveries. Said Israeli Foreign Minister Yitzhak Shamir: "If this is the price Israel has to pay to defend its people, then we don't regret anything."

Reagan and his aides did not expect the Israelis to apologize for the Baghdad raid, or publicly pledge strict new restraints on their military operations, when State Department Counselor Robert McFarlane met with Begin last week to discuss the use of American weapons. But the Administration was dismayed that the Prime Minister offered not even symbolic concessions in the five-hour session. Said Begin afterward: "If anyone should think that one sovereign country should consult another about a specific military operation to defend its citizens, that would be absurd." Begin neither intimated that Israel would engage in soul searching before undertaking such a raid again nor signaled any possible movement on the stalled negotiations with Egypt about Palestinian autonomy. McFarlane left with nothing more than a limp, almost meaningless, joint communiqué that said: "Any misunderstandings that might have arisen have been clarified."

Even though McFarlane returned to Washington empty-handed, top Administration officials had agreed last Wednesday night that the planes should be released as planned. Among the reasons: the Administration did not want to pick a fight with the influential Israeli lobby in Congress while it is trying to pass its economic program. In addition, many of Reagan's foreign policy advisers felt that despite the formal protests from the Arab world after the Iraqi reactor had been destroyed, many moderate leaders in the area were secretly pleased by what Israel had done. This comforting illusion also exploded last week: King Khalid announced that Saudi Arabia would pay for reconstruction of the Iraqi reactor (original cost estimate: $260 million)

Those ambiguous signals fired off concerning the Middle East crisis provided fresh ammunition to critics who ask whether the Administration has a unified foreign policy or is simply lurching from one headline problem to another, improvising responses as it goes along. The Ad-

*In 1977 Israel ordered 75 of the modern fighters (cost: $18 million each), financed by long-term, low-interest U.S. loans, and has taken delivery on 53 of them. Four were held up after the June raid, and six more are now awaiting delivery.

ministration's answer is that a clarification process is under way. Speaking before the World Affairs Council, Assistant Secretary of State Thomas Enders declared that the U.S. favors a negotiated settlement, international mediation and political solutions to the civil war in El Salvador. Enders condemned violence by the right as well as the left, which he said were "inextricably linked" in a tragic cycle. True enough, the U.S. has consistently favored a democratic solution to El Salvador's problems, involving free elections. But conspicuously missing from Enders' speech was any mention of "a well-orchestrated international Communist campaign to transform the Salvadoran crisis into an increasingly internationalized confrontation" between the U.S. and clients of the Soviet Union. The words were those of Enders' boss, Secretary of State Alexander Haig, last February.

Haig was making major foreign policy statements of his own last week. At a United Nations conference on Cambodia he attended with U.N. Ambassador Jeane Kirkpatrick, he attacked the Soviet Union and its "puppet regimes" in Southeast Asia. He also gave a speech designed to reassure NATO allies that the U.S. is seriously committed to resuming talks with the Soviets, before the end of the year, on limiting medium-range nuclear weapons in Europe. Said Haig: "The charge that we are not interested in arms control or that we have cut off communications with the Soviets is simply not true." But he also said the Administration would insist on linking strategic arms negotiations to Soviet conduct around the world: "A policy of pretending there is no linkage ends up by saying that in order to preserve arms control we have to tolerate Soviet aggression."

Secretary of State Haig and U.N. Ambassador Kirkpatrick at conference on Cambodia

Defense Secretary Weinberger, meanwhile, reiterated his customary harsh assessment of Soviet intentions and capabilities in a speech he gave at Fort McNair, in Washington, D.C. Charged Weinberger: "It is neither reasonable nor prudent to view the Soviet military buildup as defensive in nature." Both addresses got Soviet attention. TASS dismissed Haig's pledge of arms talks and assailed Weinberger's saber rattling. The Soviet news agency called the former an attempt to "whitewash the present aggressive course of the Washington Administration" and said the latter "can be qualified only as a call to war."

The difference in tone between the speeches reinforced a perception in Washington that relations between the two men, once warm colleagues, are strained. That at least is the way their aides perceive it. At the Pentagon, Haig is seen as being overly sympathetic to the Europeans, despite their reluctance to commit sufficient funds to beef up NATO. At the State Department, Weinberger is regarded as clumsy and even downright crude in his approach to military issues that have diplomatic overtones, such as deployment of the neutron bomb and the upgrading of Theater Nuclear Forces in Europe.

A larger problem, with serious consequences for the formulation of policy, is the unstable truce between the volatile Haig and the White House staff, particularly National Security Adviser Richard Allen. The Secretary's staffers convey the impression that their boss is a man under siege, subject to criticism and sniping that goes well beyond the expectable vying for power between State and the White House. Reagan's top aides insist that Haig has plenty of friends and admirers in the White House, that his counsel is trusted, and that he has won more battles than he has lost. In a speech to the National Press Club last week, White House Chief of Staff James Baker interrupted a litany of the Administration's achievements to observe: "All of us, from the President on down, would have been far happier if we had seen fewer stories about squabbling and turf fighting on foreign policy."

Reagan, who has little toleration for infighting, clearly hopes that the feuding will end. He also may finally be ready to do something about the Hatfields and McCoys of his Administration. At a recent meeting of the National Security Council, he sternly admonished all present, including the top White House staff, to refrain from leaking criticism of other members of the Administration—at the risk of getting fired. *—By Walter Isaacson. Reported by Laurence I. Barrett and Gregory H. Wierzynski/Washington*

Questioning the Israeli Lobby

Congressman Paul ("Pete") McCloskey five months ago predicted that Israel might well try to destroy the nuclear facilities of its Arab antagonists, like Iraq. The prophetic California Republican is also one of the few members of Congress—another is Republican Senator Charles Mathias of Maryland—who openly raises an uncomfortable question: Is American policy in the Middle East being unduly influenced by the ardent lobby of Israel's supporters in the U.S.?

Congressman McCloskey

McCloskey recently articulated his concerns in a speech to the Admiral Kidd Officers' Club in San Diego. "We've got to overcome the tendency of the Jewish community in America to control the actions of Congress and for them to force the President and Congress not to be evenhanded," he said. At a press conference, McCloskey added: "We have to respect the views of our Jewish citizens, but not be controlled by them." Morris Casuto, San Diego director of the Anti-Defamation League of B'nai B'rith, promptly denounced McCloskey's statements as "arrant nonsense" and "an insult to the Jewish community."

McCloskey stands by his charges. He told TIME: "If this Israeli lobby is not challenged, and if Begin is not challenged, I think the interests of the U.S. will be seriously hurt." Already, says McCloskey, the lobbying against the sale of AWACS reconnaissance planes to Saudi Arabia is "some of the heaviest I have ever seen."

Resigned Deputy Max Hugel and his boss, Director William J. Casey

Old Skeletons Rattle the CIA

A spymaster is jettisoned and a chief threatened

At first it looked like a fleeting flap, handled swiftly and skillfully by the Administration to limit the damage. Max Hugel, a millionaire merchant with no visible qualifications to hold his post as director of clandestine operations for the CIA, had been publicly accused of illegal stock manipulations by two vengeful Wall Street brokers who had gone bankrupt trying to promote stock in Hugel's former business. Denying any wrongdoing, Hugel nevertheless promptly resigned as the CIA's deputy director of operations and was quickly replaced by a career CIA operative, John Henry Stein. Sighed a White House aide with relief: "The matter is closed."

But by week's end CIA Director William J. Casey, 68, a Reagan political crony who had appointed Hugel against strong opposition within the CIA, and with little if any White House support, was in trouble too. He was the focus of an investigation by the Senate Intelligence Committee, which is dominated by Republicans and headed by Senator Barry Goldwater. The probe also had the backing of Senate Majority Leader Howard Baker. All this was happening despite the insistence by a White House press spokesman that "the President has full confidence in Mr. Casey."

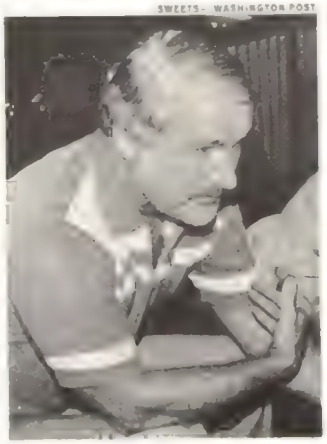
At issue was Casey's judgment in selecting the brash and arrogant Hugel, 56, for such a sensitive job. It entailed deploying CIA agents around the world, recruiting spies behind the Iron Curtain and giving the go-ahead for all covert operations. Also under study was the CIA's apparent failure to uncover allegations of serious impropriety in Hugel's business practices when the agency ran its customary background check. One main objective of the screening process is to find out if a prospective CIA official could in any way be blackmailed—and "blackmail" was precisely what Hugel last week accused his former business associates of having threatened.

Beyond Casey's unfortunate choice of Hugel, whom he asserts he met when both worked in Reagan's presidential primary campaign, the director's own business ethics will be scrutinized by Senate investigators. They came under question in a civil suit filed against him in 1974 by investors who had lost heavily when a New Orleans–based agricultural firm of which Casey was a director went bankrupt. Casey had disclosed the existence of the lawsuit on a routine form sent to the Senate Intelligence Committee after his confirmation hearings last January, but the committee did not question him about it. Last week it was revealed that a New York federal judge had found merit in the suit, ruling that Casey and other directors had knowingly circulated false and misleading information about the business. (Judge Charles E. Stewart Jr. issued his decision last May, but no reporter considered it significant enough to produce a story.)

Casey's bad week began when the Washington *Post* reported the bitter accusations against Hugel leveled by two brothers, Thomas and Samuel McNell, who also produced 16 damaging tape recordings of their telephone conversations with Hugel in 1974 and 1975. They claimed that when Hugel headed Brother International Corp., which he had founded in 1954 to distribute Japanese sewing machines, typewriters and other consumer products, he repeatedly fed them inside information on the company's finances and prospects so they could promote the stock. They contend that he secretly funneled $131,000 into Thomas McNell's brokerage firm, disguising the money as a personal loan to Samuel McNell, so that the brokers could trade in the stock. This would give other potential investors the illusion of market interest in the company. They also charged that Hugel had persuaded another business associate to buy 15,000 shares of stock in five separate purchases to manipulate the stock's value.

All the efforts eventually failed. Hugel moved on to a high-paying position in another firm, Centronics Data Computer Corp., of Hudson, N.H., and pressed the McNells to repay the loans. In a Dec. 13, 1974, recording, Hugel claimed that the McNells' lawyer "had the nerve to threaten me with some goddam cockamamie lawsuit." Fumed Hugel: "I'll kill that bastard . . . I've revealed nothing to you guys I did nothing wrong." Hugel repeated his denials of any wrongdoing to *Post* reporters, although he did not deny that a voice on the recordings was his. He said he was puzzled by some of the conversations and could not recall others. In an unpublished autobiography Hugel boasts: "I have an excellent memory . . . virtually a photographic memory."

The Brooklyn-born Hugel's driving personality, rather than any notable talents, apparently helped him achieve both wealth and his brief eminence in Washington. As a New Hampshire businessman, Hugel's aggressive style impressed William Loeb, ultraconservative publisher of the *Union Leader* in Manchester. Loeb pushed Hugel for a position in Reagan's New Hampshire primary race, and Hugel was named Reagan's Nashua campaign chairman, an obscure spot that he resented. Says former Republican Governor Hugh Gregg: "In terms of the nitty-gritty of the campaign, he had nothing to do with Reagan's victory. He's a creation of Mr. Loeb's."



SWEETS - WASHINGTON POST

Whistle Blower Thomas McNell

But Hugel won over Casey with his eagerness to get things done and his obvious loyalty. One gusty day, Hugel's toupee flew off as he obligingly chased after his boss's windblown hat. When Casey decided last February to make Hugel his administrative director, the White House raised no objection. Hugel's job did not require Senate confirmation, and thus there were no

"There are still huge reserves of American oil left behind in oil fields that were tapped thirty or forty years ago," says Gulf Area Engineer John Shamburger. "In those days, crude was only two or three dollars a barrel, so we would operate an oil well only as long as the oil could be pumped up easily and inexpensively. It made more sense to drill new wells than to squeeze every drop out of old ones."

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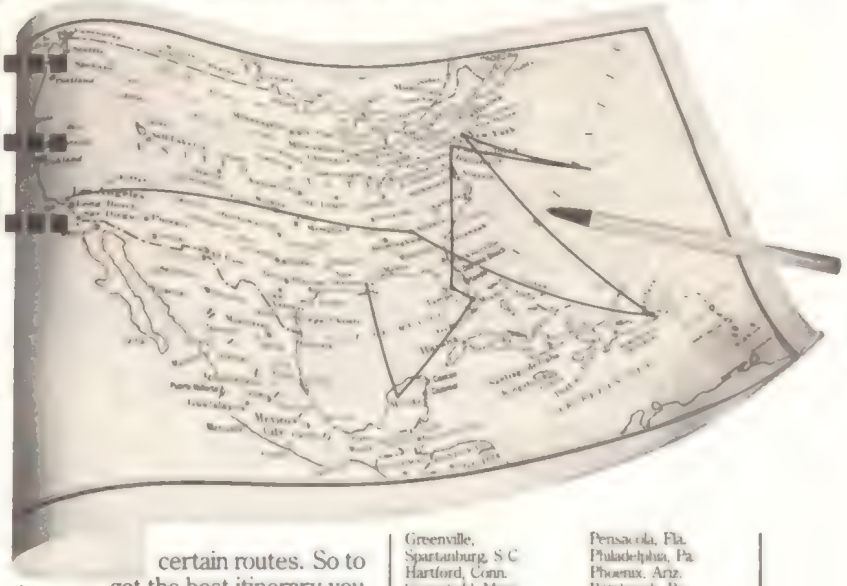

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EASTERN

WE HAVE TO EARN OUR WINGS EVERY DAY.™

fears at the White House of a public ruckus over his lack of relevant experience. When, in mid-May, career officers at the CIA objected to elevating Hugel to the top clandestine operations post, Casey argued that someone from outside the CIA was needed to shake up the covert side of the agency. But CIA veterans conveyed their displeasure to some of the "old boys" on the outside. One such gripe, reported Cord Meyer, a former CIA official, was that Hugel "had an extraordinary gift for profanity, which he substituted for thought."

Casey last week refused to discuss his problems over past business practices. The lawsuit involved an agribusiness firm named Multiponics, which was set up in 1968 to acquire land owned by the company's founders and to operate it jointly in farming and related ventures. Casey was a director and one of the founders, investing $145,614 in the company, which also assumed a mortgage debt on his land of $301,000. The company tried to raise money by issuing stock privately in 1968.

Judge Stewart ruled that the circular announcing the stock offering failed to disclose that about $2.7 million in mortgage debts had been assumed by the firm. The circular also said that the company owned seven operating farms, while the judge determined that two were not in operation, one was operating at a loss and two were operated by sharecroppers rather than by the experienced managers mentioned in the circular. While Casey's lawyer last week contended that Casey had been a "passive investor" who relied on others to prepare the stock circular, Judge Stewart noted that Casey and the other directors had attended a meeting at which copies of the offering "were distributed and fully discussed."

Multiponics went bankrupt in 1971, and Casey lost most of his investment. Reviewing an attempt by Casey and other directors to reorganize the bankrupt company a year later, District Judge Herbert Christenberry in New Orleans also had concluded that they had driven the corporation "deeper and deeper into debt" by managing in a "pattern of self-interest." A puzzling irony in Casey's involvement in the lawsuit is that it involved questionable dealings in sales of stock—and he was considered such an expert on these matters that he was made director of the Securities and Exchange Commission by President Nixon in 1971.

The new attention to Casey's past comes just as he was earning grudging praise from CIA hands for getting the agency more funds despite the Reagan budget cuts. He also seemed to be leading the CIA away from the distraction of recurring headlines and back to doing its job quietly and better. But with a congressional investigation looming, the nation's shrouded intelligence agency was once again all too visible. —*By Ed Magnuson. Reported by Laurence I. Barrett and Jonathan Beaty/Washington*

Christmastime on Capitol Hill

Courting tax votes with tax breaks—and boondoggles

The great tax battles of 1981, waged by both parties in Congress as matters of lofty principle, were degenerating last week into a petty pursuit of votes in which special interests were courted with particular tax breaks. "It's terrible that we should be involved in a bidding war," admitted House Ways and Means Committee Chairman Dan Rostenkowski. "But it all depends on whether you want to lose courageously or to win. I like to win." In fact, except for various tacked-on goodies and a Democratic edge in generosity toward the poor and middle class, the emerging Administration and Democratic tax bills contain few practical differences. The skirmishing was over who would be able to claim a political victory.

The Senate voted to tie tax brackets to the rate of inflation, beginning in 1985. Reagan opposed including that in this bill mainly because of the loss to the Treasury: some $12.6 billion in 1985. The Senate aim is to avoid bracket creep, in which inflation edges taxpayers into a higher tax rate though they do not gain in buying power. Both chambers seem to agree that the estate tax should be nearly wiped out. They would raise the value of estates that can be passed to an heir tax-free from $175,625 to $600,000. Only .03% of all U.S. estates exceed $600,000.

TWO WAYS TO CUT

Average reductions proposed for different income groups, from 1981

Adjusted gross income in thousands	Senate Finance Committee 1982	House Democrats 1982	Senate Finance Committee 1983	House Democrats 1983	Senate Finance Committee 1984
Below $5	$16	$33	$24	$41	$25
$5-10	66	135	104	172	121
$10-15	147	212	250	313	297
$15-20	246	337	433	494	521
$20-30	398	550	732	781	883
$30-50	751	1,019	1,396	1,387	1,661
$50-100	1,656	1,507	3,086	2,070	3,717
$100-200	4,299	2,246	7,226	4,330	8,788
$200+	22,128	10,198	25,180	22,239	27,236

TIME Chart by Renee Klein

*No additional House cuts proposed

As the Senate rushed toward completion of the Administration-backed bill and the House Ways and Means Committee drafted a Democratic alternative, U.S. taxpayers were assured of at least a two-year cut *(see chart)*. President Reagan would be seen as the victor if the final bill includes a third-year reduction. Without one, he argues, the average American will actually face a net tax increase because of inflation, higher tax brackets and rising Social Security obligations. Some House Democrats last week said they were willing to compromise by accepting a third-year "trigger" under which the tax cuts would continue only if the economy seemed to warrant it at the time. So far, the White House is holding out for a firm third-year commitment to cut again.

Still, the sweeteners amount to more than a jar of jelly beans. Some were a shade outrageous. Rostenkowski, who has been saying that the G.O.P. version favors Big Business and wealthy individuals, protected a tax write-off for some 2,500 commodities dealers who straddle the market through offsetting buy and sell orders. Not surprisingly, the commodities market is based in Rostenkowski's home city of Chicago. Republicans offered a special deduction to truckers, who were strong supporters of Reagan's candidacy.

The tax fight is gaining no glory for either side. Although Reagan's congressional strategists admitted they did not yet have enough votes to push their own bill through the House as a substitute for the Democratic measure, they talked of waging such a battle nonetheless. Why? Explained a senior White House official: "Losing could be winning. It gives us an issue in 1982." The issue would be that the Democrats did not give the President his three-year, across-the-board tax cut. Thus if the economy does not improve by late next year, the Republicans will blame the Democrats. House Speaker Tip O'Neill had earlier followed a similar cynical strategy on Reagan's budget. He acted on the private theory that it would be better for Democrats to give Reagan what he wants, even on the assumption that it will not work, than to catch the blame for blocking his economic program. The two sides were in agreement on one point: Congress should finish its tax chores before recessing, even if it means remaining in session during the first week in August. ■

The atrium after the accident: with the band playing *Satin Doll*, a shower of steel and glass on 1,500 dancers

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Nation

The Night the Sky Bridges Fell

More than 100 die as tragedy strikes a hotel in Kansas City

"It started," said one horrified eyewitness, "with a small snapping sound." Then the noise mounted, first seeming like a wrecking ball thudding against the sleek new building, and then like an explosion lashing through the crowded lobby. When the hideous din subsided, replaced by the muted cries of the injured and terrified, the carnage was staggering: 108 people lay dead in the atrium of the sleek, 40-story Hyatt Regency Hotel. More than 180 were injured, and at least three more died later. Some victims were pinned for hours beneath the tons of steel, cement and cables. Said Mayor Richard Berkley: "It was the worst disaster in the history of Kansas City."

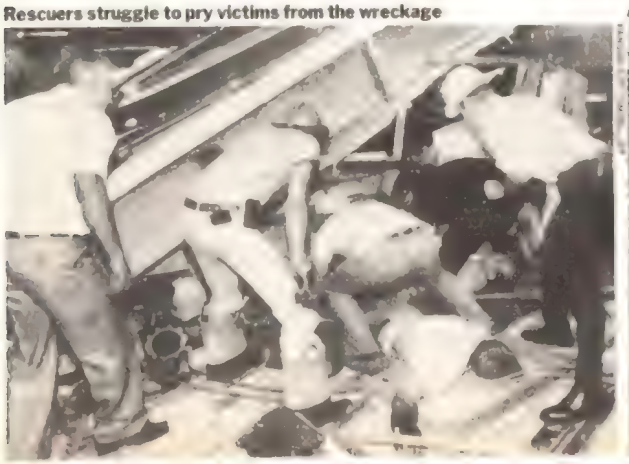
Two 145-ft.-long interior walkways —one four stories off the ground, the other two—had come ripping down amid a crowd of 1,500 dancers. As the debris cascaded to the floor, broken glass flew like shrapnel. Nor did the chaos end with the horrifying collapse. Water from broken pipes gushed out over the bodies and rubble, and the smell of escaping natural gas wafted through the vaulting half-acre hotel lobby, adding to the fears of fire and explosion. "People kept screaming names, all sorts of names, trying to find a friend or a wife or a son," recounted Kansas City *Star* Sportswriter Mike McKenzie

Within minutes an enormous rescue crew had assembled: 250 policemen, 250 firemen and hundreds of paramedics. With blowtorches, chain saws and jackhammers they struggled to peel away the twisted beams and cement boulders. They worked 13 feverish hours to free the injured and retrieve the dead. Said Doug Klote, an ambulance company official: "Death and mutilation are nothing new to me. But this is the worst."

By late afternoon, a mostly middle-aged and middle-class throng had converged on the Hyatt's expansive lobby for another in a popular new series of weekly dances. Admittance required only a fondness for the fox trot. "Tea dances," the promoters were billing these mildly recherché gatherings: Tommy Dorsey and Duke Ellington tunes were featured, and Friday's Big Band, Steve Miller and His Orchestra, had played the occasions before. The hotel has a ballroom, but the glassy lobby is nearly as large and, in the fading summer light, far more inspiring.

The Hyatt's dramatic five-story atrium lobby was transected by three walkways. The atrium has become an architectural signature of the Hyatt chain. In the $50 million Kansas City structure, the top and bottom sky bridges ran parallel to each other, two floors apart, protruding about ten feet from the west wall of the lobby. A third, middle bridge, 15 feet

Rescuers struggle to pry victims from the wreckage

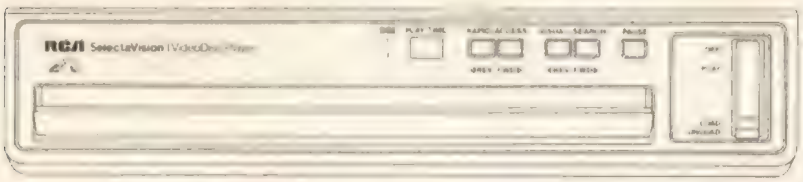


A medic gives an emergency blood transfusion

RCA VideoDisc or RCA Video Tape?

RCA helps you understand the differences.

You've heard about RCA SelectaVision Video Cassette Recorders for years. And you've probably just heard about the RCA SelectaVision VideoDisc Player, the remarkable machine that plays records you watch on your TV. Both systems offer advantages. But which best fulfills *your* needs? Read on.



What is your main reason for wanting a home video system?

If you are primarily interested in recording "off the air," or in recording your own productions with a video camera, RCA Video Cassette (VCR) is the system for you. Because, basically, that's what a VCR is designed to do: Record and play back. You can also buy prerecorded program tapes—but they can be expensive. A feature film on video tape can cost as much as $89.95.

So if you're primarily interested in seeing exciting prerecorded entertainment, the RCA VideoDisc System offers a definite advantage: outstanding programming at a *remarkably affordable price.* Currently, you can own a feature film on videodisc for as low as $14.98.* Prerecorded tapes can cost three times that amount.

Do you want a wide selection of first-rate entertainment and program material?

Both VCR and VideoDisc sell a broad assortment of outstanding prerecorded entertainment. But again, RCA VideoDisc offers significant cost advantages. Take a look at the exciting variety of entertainment available now and in the next few months on RCA VideoDisc:

Ordinary People
The Godfather
The Shootist
Grease
M•A•S•H
The Graduate
Chinatown
To Russia with Elton
French Connection
Richard Pryor—Live in Concert
The Black Stallion
Star Trek—The Motion Picture

Butch Cassidy and the Sundance Kid
Heaven Can Wait
Saturday Night Fever
Airplane
Rocky
Casablanca
American Gigolo
King Creole
Starting Over
Paul Simon in Concert
Love Bug
Looking For Mr. Goodbar
Fiddler on the Roof
Urban Cowboy
North By Northwest
Citizen Kane
Goldfinger
Blondie—Eat To The Beat
War of the Worlds
and many more

How important is cost to you?

In total, a VCR system is more expensive than the RCA VideoDisc System. As mentioned, there is a cost advantage of discs over cassettes. And the RCA VideoDisc Player can be yours for less than $500.* Currently, suggested retail prices on many new model VCRs are $1,000 or more.

If you already own a VCR, why should you buy a VideoDisc Player?

With a VCR, you can record TV shows and films "off the air." But if you've ever taped movies from television, you know how films are often cut to accommodate commercials or censor controversial scenes. Of course, you can buy prerecorded uncensored video cassettes—but they can be costly. So if you like feature-length movies at home, uncensored and uninterrupted, the RCA VideoDisc Player makes good sense. So why not put an RCA VideoDisc Player next to your VCR?

So, what's your decision?

RCA VideoDisc? Video Tape? Or both? Still undecided? Why not let your RCA Dealer show you a complete demonstration of both systems? He'll help match the right system to your needs and your budget. See him today. And bring the magic home.

RCA

Selectavision VideoDisc System

*Price optional with dealer; actual price may vary.

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See your RCA dealer for SelectaVision® VideoDisc Players and VideoDiscs. Selectavision video cassette with Recorder, cassettes® and the "Wave" are trademarks of RCA Corporation.

"Puerto Rican white rum can do anything better than gin or vodka."

"Our Puerto Rican rum has started a new trend in Bloody Marys."

Betsy González, fashion designer, with her brother and partner, Ausbert González

People everywhere are discovering that the rum Bloody Mary possesses a smoothness and refinement you won't find in the vodka version.

White rum also mixes marvelously with tonic or soda. And makes an exquisite dry martini.

Why? Because every drop of Puerto Rican white rum, by law, is aged at least one full year. And when it comes to smoothness, aging is the name of the game.

Hint: For more zip and zest in your Bloody Mary, use a fresh scallion as your stirrer.

Make sure the rum is Puerto Rican.

The Puerto Rican people have been making rum for almost five centuries. Their specialized skills and dedication result in a rum of exceptional dryness and purity. No wonder over 85% of the rum sold in this country comes from Puerto Rico.

PUERTO RICAN RUMS

Aged for smoothness and taste.

[illegible]

Comforting the casualties while they waited for helicopters

Outside the hotel, a makeshift hospital for the scores of injured

farther from the wall, did not collapse.

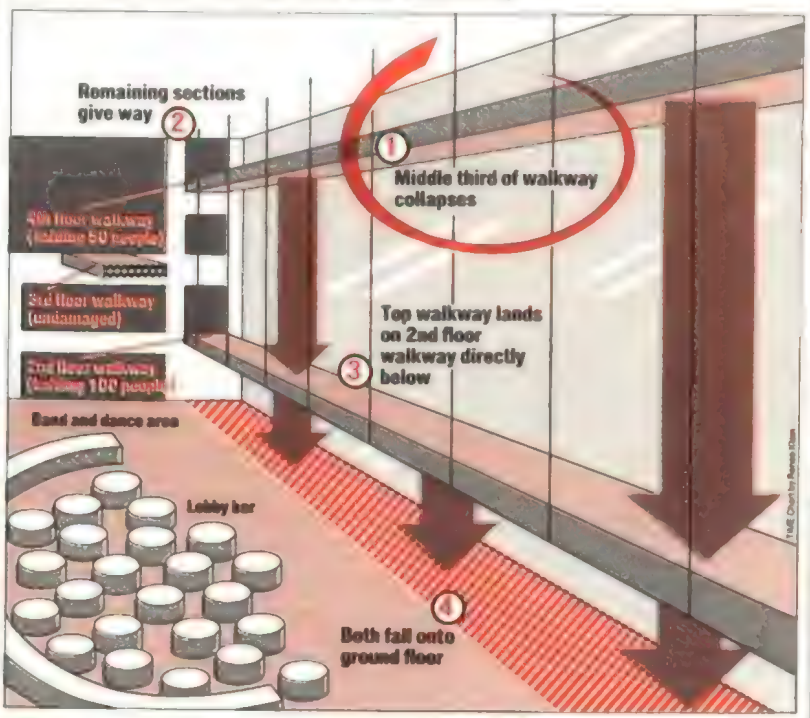
A hundred people lingered on the lowest walkway, and 50 more chatted and watched the festivities from the highest span. The band was playing *Satin Doll*. At 7:01, the middle section of the top span simply gave way, and a moment later, the end sections fell free as well. Said a witness, Richard Howard: "You could watch people grab hold of the walkway. Then they just flew all over." Ann Dunford came within a hairbreadth of tumbling into the chasm. "I had one foot on the skyway," she said, "and I don't know if I felt it or heard it give. I stepped back and could see the middle going down." Hospital Administrator Tom Edgarton was in a restaurant just off one of the lobby mezzanines. Looking out toward the atrium, he saw "debris just pouring up like a bomb had gone off."

It was cruel enough that the collapse occurred when the lobby was at its most crowded. But even more people died because the lobby's makeshift ballroom and the main exits happened to be directly beneath the plummeting walkways. Said Betty Webb: "The first thing I knew I was on the bottom and some girl was on top of me. We were just piled up helter-skelter and the structure was on top of us." A chunk of walkway came thudding down a few feet from Tea Dance Veteran Julie Halford. "The impact threw me against a concrete railing," she said. The entire crash sequence took only 15 seconds. Edgarton, above the lobby and off to one side, had his back turned when the bridges crashed. Instead of seeing the havoc, he saw the startled expressions of the witnesses. Said he: "People hid their faces and turned away."

The enormity of the accident required commensurate manpower and machines. Within minutes the first of 25 ambulances used during the night was loading crushed and bloody survivors. A helicopter made twelve trips evacuating the most gravely injured. Scores of casualties were laid out, field-hospital fashion, outside the hotel. Bystanders worked hand in hand with policemen, fire fighters and doctors, about 1,000 rescuers in all. Cheers rose each time they found a survivor. Two construction cranes were brought to the scene; their booms poked through the arching lobby windows to lift away the most massive pieces of wreckage. A bulldozer was brought in as well. At one point, an amputation was performed in the lobby: doctors could free one trapped man only by cutting off his leg. On Saturday morning, with the hotel exhibition hall serving as a morgue, the fingerprinting of corpses was under way. Puddles of bloody water covered the lobby floor. Ten survivors were trapped until 6 a.m. The last slab was lifted at 7:45 a.m. Beneath it were 31 bodies.

The Illinois-based Hyatt Corp. rushed officials to the scene Saturday. But the hotel, the city's newest, really belongs to Kansas City: it was designed by local architects, built by local firms, and is owned by the family-run Hallmark Cards, Inc., one of the city's largest employers. Said Company President Donald Hall: "The past hours have been the darkest in my life." The city council met Saturday to review the disaster. No one was ready to place blame—indeed, it was not yet known why the sky bridge gave way. Said a Hyatt vice president, James Howard, in a careful letter to the mayor and Missouri Governor Christopher ("Kit") Bond: "We do not know the cause of the tragedy. However, we do know that the structural integrity and safety of the building had been assured by the architects, the contractor, and in subsequent building inspections." Somewhere, the assurance was flawed.

—By Kurt Anderson. Reported by Steven Holmes and Rick Lyman/ Kansas City



POLAND

A Flowering of Democracy

It's one man–one vote as the party congress meets to chart the future

The extraordinary gathering was dominated by new faces, new ideas and new expectations. The members came from all over Poland: brawny shipyard workers from Gdansk, deeply tanned farmers from Poznan, professors from Cracow. Their average age was only 40. They had been chosen by secret ballots in elections at their local party units; 91% had never before taken part in such a referendum. But when the 1,955 delegates converged last week on Warsaw's Palace of Culture and Science, a towering marble-and-granite edifice given to the Polish people by Joseph Stalin in the 1950s, they seemed determined to make the Ninth Congress of the Polish Communist Party a historic turning point for the whole nation.

The congress convened at a critical juncture. Nearly a year after Poland's striking workers had won an unprecedented set of liberal concessions from Warsaw's Communist bosses, the country was reeling under a deepening economic crisis, and the party was in disarray. Hard-liners were calling for repressive measures that could spark a new wave of labor unrest; radicals demanded sweeping reforms that some feared might send Soviet tanks rolling across the border. What was needed, above all, was a strong, credible leadership and clear policies for dealing with the country's problems.

For all its importance, the congress was initially greeted with skepticism and indifference by some Poles. Explained one Warsaw accountant standing near the Palace of Culture on opening day: "It's hard to be enthusiastic. Society's expectations have been disappointed so many times before." Yet the delegates approached their task with a sense of mission and hope rarely seen in the Eastern bloc these days. Explained Delegate Jozef Gajewicz, the mayor of Cracow: "A great explosion of democracy brought the delegates here. They have come to fight for what they believe in."

Fight they did. First they waged a battle to reverse the order of business. Party Boss Stanislaw Kania had hoped to ram through his re-election on the first day of the congress, and thus gain effective control over all subsequent proceedings. The delegates would have none of it. Instead, they decided to elect a new 200-member Central Committee first and then choose a leader by secret ballot from among its ranks. Never before in the Soviet bloc had such a tactic been used. Said one congress official: "They tried to push the delegates too far too fast, and they rebelled."

Next the delegates held up voting on the Central Committee to discuss a long-awaited report on official corruption. Result: ex-Party Boss Edward Gierek and six former associates, including ex-Premier Edward Babiuch, were summarily expelled from the party. More heads rolled in the Central Committee voting, when candidates on the liberal and conservative extremes were rejected, leaving the centrists in control. Among the prominent officials who went down to defeat were Politburo Hard-liners Mieczyslaw Moczar and Tadeusz Grabski; the latter had led an unsuccessful drive to oust Kania last month and was deemed a strong challenger for the party leadership. One of the highest vote tallies, 1,615, went to Premier Wojciech Jaruzelski—a solid expression of support for his pragmatic policies.

In the end Kania held on to his job. But the way in which he was chosen—after four days of procedural delays and under new rules that pitted him against several other candidates—must have been a chastening experience. In effect, observed a French expert on Eastern Europe, the first-time delegates at the congress were conveying an unmistakable message to their leader: "Although we are re-electing you, we do not intend to give you a blank check. On the contrary, you are going to have to reckon with us."

Before his election, Kania had to reckon with a powerful conservative challenge to his leadership. It was boosted by the circulation of a letter, allegedly written by former Party Boss Wladyslaw Gomulka, implicating the party leader in the decision to use police force to suppress the 1970 Baltic coast riots, in which some 45 workers died. Though the letter was widely believed to be a fake, it prompted some sharp questions from the floor about Kania's ambiguous role in the events of 1970.

Nor did Kania help his own cause with his 2½-hr. keynote speech on behalf of the outgoing Central Committee. Reading in a dry monotone, scarcely glancing up at the semicircular chamber before him, Kania inveighed against extremists both in the party and in the Solidarity union federation. He promised to cooperate with the "constructive" elements within the union, but blasted "reactionary" forces for seeking to make Solidarity "a political party opposed to the socialist state." Attacking "Western centers" for trying to wrest Poland out of the Communist camp, he described the alliance with the Soviet Union as "the cornerstone of our policy." The speech drew only a lukewarm response.

Kania's main purpose may have been to reassure his East-bloc allies that liberalization would be kept within tolerable limits. For his part, Soviet Delegate Viktor Grishin seemed satisfied. While stating that Moscow could not remain "indifferent" to Polish problems, he expressed confidence that the Polish party and people could "overcome the current crisis" by themselves. His speech was greeted by relieved applause from delegates worried about a possible Soviet intervention. Observed one Western diplomat: "It looks as if the Soviets have ruled out a military solution."

The most exciting orator was Deputy Premier Mieczyslaw Rakowski, a 54-year-old magazine editor and outspoken liberal. Clutching the burgundy velvet lectern, Rakowski accused the old Central Committee of indecisiveness and called for a new "leadership, bold in thought and action, credible for society and our allies,

KATHERINE YOUNG

Warsaw graffiti: "Never mind, we have socialism instead"

Shortages of meat, sugar and cereals, but plenty of queues.

Kania beams down on Premier Jaruzelski

able to rebuild confidence." He warned of "bloodshed" unless the party and people could join hands in solving the nation's problems. "If we act wisely," he concluded, "instead of being the sick man of Europe, Poland can emerge as an inspiration for socialism." His words sparked a thunderous burst of applause

Perhaps the most remarkable thing about last week's sessions was their freewheeling, democratic atmosphere. Observes Helmut Sonnenfeldt of the Brookings Institution: "There was no hero worshiping, no ovations Soviet-style, which are the hallmark of Communist gatherings." Indeed, delegates openly questioned their leaders from the floor, huddled in caucuses, lobbied for their favorite candidates, debated policy recommendations. The final policy decisions will not be made until this week, but the congress seems unlikely to abandon—and may extend—the present course of reform

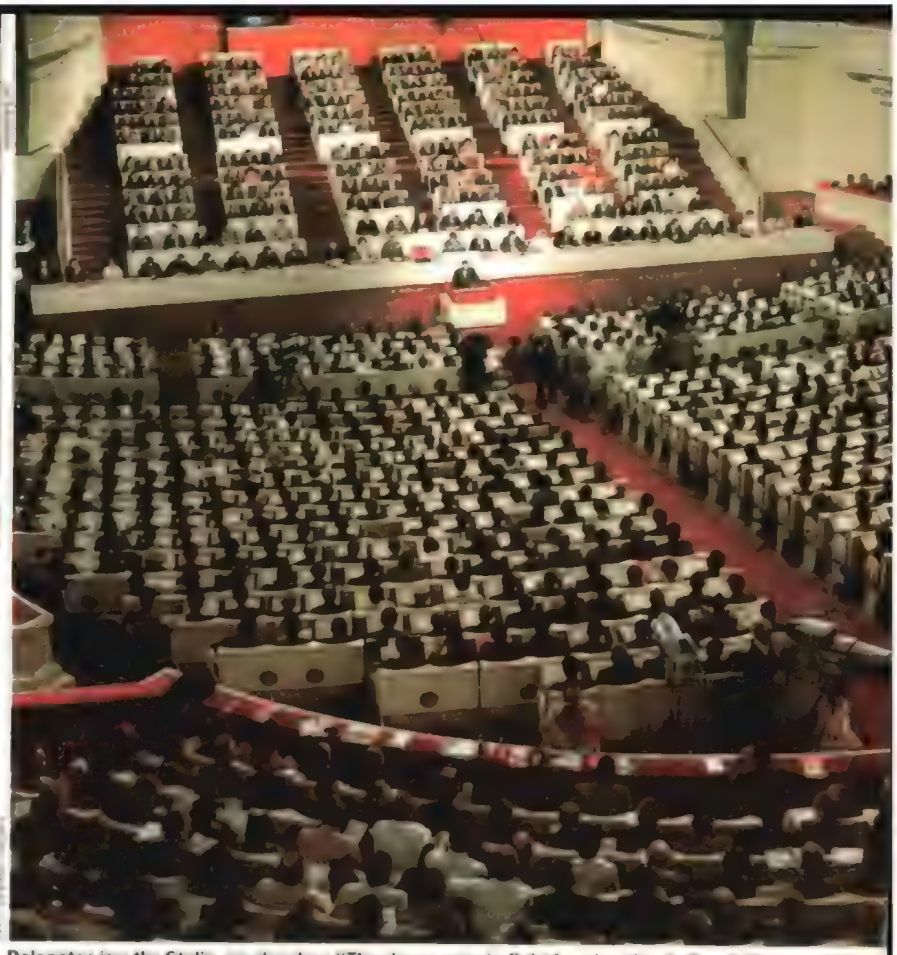
Just as an unprecedented measure of democracy has crept into the party, other freedoms have started to blossom in Polish life during the past year. The Polish press and the broadcasting networks, for example, have become by far the freest in the East bloc. Newspapers regularly carry articles criticizing past government policies or discussing formerly taboo social topics such as crime and alcoholism. Says a Polish journalist: "You have to watch the 7:30 news now. Before, it was an excuse to go out for a drink."

Since passport regulations were eased last April, Poles have enjoyed an unaccustomed freedom of movement, although, ironically, not to Warsaw-bloc countries. Fearing a contagion of the strange stirrings in Poland, the Communist nations have virtually closed their doors to their neighbors. But Poles have been flocking to such countries as Austria and West Germany, where some "tourists" have caused problems for their host governments by turning into refugees seeking a better life

Poland's parliament, the Sejm, has evolved from a rubber-stamp body into the most outspoken and representative assembly in the Soviet bloc. About half of the government's bills are now sent back for revision. Explains a party congress delegate from Cracow: "The Communist deputies are beginning to act like what they are supposed to be: representatives of the working class."

Since last August, however, the real representative of the Polish workers has been Solidarity, a movement born in a spontaneous eruption of proletarian anger. The historic agreements negotiated in Gdansk and other strike centers last summer by Lech Walesa gave Polish workers prerogatives without parallel in the Soviet bloc, including the right to form independent unions and to strike. Solidarity, striking—and threatening to strike—with great skill, grew into a 10 million-member federation capable of bringing a beleaguered government to its knees.

Paradoxically, the greatest threat now



Delegates jam the Stalin-era chamber: "They have come to fight for what they believe in"

A gathering dominated by new faces: party members listening to speeches drone on

facing Solidarity may be its own success. In a stunning series of tactical victories, the union has won repeated promises from the government—higher wages, shorter hours and improved food supplies. Many union leaders now admit that they must scale their demands to fit realities. "The government signed everything we put in front of them," says Stanislaw Zawada, a member of Solidarity's national commission. "Now it is impossible to count all these agreements. We must begin to analyze them to see which ones can be carried out." As Walesa put it in an interview with BBC-TV last week: "If we go on strike now, we'll destroy ourselves and the economy." Nonetheless, dockers on the Baltic coast and employees of the LOT national airline were threatening new strikes this week.

A major moderating influence over the union during the past year has been the Roman Catholic hierarchy, especially the late Stefan Cardinal Wyszynski, the primate of Poland. A trusted adviser to Walesa, Wyszynski helped mediate settlements of some potentially disastrous labor-government confrontations. The hierarchy has made some significant gains of its own, such as getting the right to broadcast Sunday Mass and erect new churches. Still, some observers feel that the church's political effectiveness may be diminished as other popular institutions develop within Poland. But Kania, who last week praised the country's religious leaders for the "responsibility they showed during the crisis," has called for a "national unity front" in which the church would join hands with the party and the unions to solve Poland's formidable problems.

Foremost among them is a sick economy, currently groaning under a $27 billion foreign debt and a projected drop of 15% in national income for 1981. Wages have risen 20% in the past year, but there are far less consumer goods to buy. Meat, butter, sugar and cereals have been rationed for months, and still the queues grow longer. In Silesia, some miners reportedly have fainted because of malnutrition, and doctors report more ailments linked to poor diets.

Yet the Poles manage to get by somehow, and life goes on in Poland's bustling cities almost as if there were no crisis. As the party congress convened last week, Poland seemed more gay than stoic, perhaps because more than half of its population is under 30. While they know full well about the tragedies of World War II, the young people of Poland are not pessimistic about life or the future.

Perhaps this calm is merely "the eye of a cyclone," as one actress suggested last week. On the other hand, it may just be that this time the Poles feel they have gained something worthwhile—and lasting—by undergoing so many hardships the breath of freedom that has warmed their country during the past twelve months. *—By Thomas A. Sancton. Reported by Richard Hornik / Warsaw*

Braced in Brixton: if need be, tear gas, water cannons and even rubber or plastic bullets

BRITAIN

Searching for the Reason Why

A stunned nation tries to understand what caused the riots

"Where are we going?" the London *Times* asked its readers. Where indeed? The plaintive question was being asked by many Britons about their beleaguered country after a nightmarish ten days of rioting throughout the land that finally subsided last week. From corner pubs to university campuses to the corridors of power in Westminster, Britons, who had long prided themselves on their tradition of social civility, asked what had gone wrong.

In her regular Tuesday meeting with Prime Minister Margaret Thatcher, Queen Elizabeth expressed her own deep distress over the disturbances that had swept furiously through 30 towns and cities and 20 neighborhoods in London. For Buckingham Palace, there was a special element of concern over the riots' nerve-racking proximity to Prince Charles' marriage to Lady Diana Spencer on July 29. As the government ordered a special inquiry into the cause of the outbreaks, Britain's social fabric clearly was under a new and serious strain.

Pale and tired, Margaret Thatcher admitted that these had been the worst ten days of her administration. The *Times* excoriated her for a "negative niggling tone" that failed to give the country confidence to surmount this latest blow to its pride. But Thatcher, living up to her "Iron Lady" nickname, refused to budge from her hard-line position that tougher law-and-order measures, and not more job programs, were the answer to the country's current ills. The Prime Minister proclaimed that theme even on a tour of Toxteth, the riot-ravaged black district of Liverpool, where more than a mile of shops and city landmarks had been gutted the week before in three nights of violence and looting. A jeering crowd pelted her and her black bulletproof Jaguar with tomatoes and rolls of toilet paper, and community leaders and city officials expressed frustration with her response. "The Prime Minister," said Wally Brown, a local community relations leader, "listened very intently, but just didn't grasp what we were saying."

The political repercussions for Thatcher and Britain were only beginning to be felt. In what ordinarily would have been a routine by-election in the manufacturing town of Warrington, 14 miles east of Liverpool, the new centrist Social Democratic Party, which broke away from Labor last March, got a surprising 42% of the vote. The S.D.P.'s candidate, Roy Jenkins, former Labor Home Secretary and Chancellor of the Exchequer, lost by 1,759 votes to Labor M.P. Douglas Hoyle.

But the party's debut into politics was seen as a remarkable triumph: it was at once a devastating rebuke to the leftist slant of the Labor Party, a disapproving referendum on the Thatcher government's responsibility for the riots and a promise of a strong third force emerging on the British political scene.

The debate over Thatcher's "monetarist" economic policies, which have caused unemployment to double to 11.1% over the past two years, reached even into her own Cabinet last week. The Prime Minister successfully put down a challenge by dissidents led by Employment

Secretary James Prior, who urged the government to launch an immediate $2 billion national youth job-training program. But some of Thatcher's most ardent public supporters, like the *Economist*, the respected weekly magazine, warned that the government would have to take action against unemployment or face the threat of greater civil disorders.

Nonetheless, Thatcher's response last week was mainly devoted to containing future outbreaks. In her most steely manner, she told the House of Commons that her Cabinet would not consider economic and social aspects of the riots until law and order had been restored. Her party was preparing a new Riot Act, which would allow police to arrest anyone in a declared riot zone and make it easier for courts to pronounce swift sentence. Thatcher also declared her support for giving police permission to use tear gas (employed in Liverpool for the first time in England), water cannons and even rubber or plastic bullets against rioters as a last resort.

Prime Minister Thatcher to the contrary, many social scientists felt that the single most important issue in the riots was high unemployment. Since the Tories came to power in 1979, the jobless rate has doubled and is still rising. For teen-age youth nationwide, the rate is around 16%; in deprived areas it goes up to 20%, and among blacks it is between 40% and 60%.

An unemployed and unmarried British youth living at home receives a government stipend of about $40 a week for an indefinite period. But the lack of money seems to have caused less resentment among the young rioters who took to Britain's streets than their lack of job prospects and any promise in the future. Added to this was the enervating factor of boredom for the unemployed, which made the rioting seem doubly exciting.

Sir Leon Radzinowicz, a noted criminologist, believes the rise in violent crime in Britain reflects a society that is becoming more vulnerable to riots. In the past year physical assaults have increased by a startling 34%, and have climbed almost 46% in the neighborhoods that now smolder in Liverpool. Looking for an explanation, Ted Gold, a community consultant in Liverpool, cites the sorry state of the family in the poor sections of major cities. Says he: "The government has been asking why these kids' parents can't discipline them properly. What they don't recognize is that often there is no real family." One in three marriages now ends in divorce, a rate that is rivaled worldwide only by the U.S. In Liverpool, says Gold, "what you saw was the disadvantaged against the police, and the match that lit the fire was the product of that deprivation, the new breed of child."

Asa Briggs, the provost of Worcester College and a noted English historian, believes that a whole pattern of causes was behind the outbursts. He puts part of the blame on the soulless slum-clearance projects that destroyed old neighborhoods and the community of feeling among the residents. Says Briggs: "We are getting the worst effects of environment, plus a complete failure of personal relationships." Gold agrees: "I want a sense of a village community back in the city."

Roy Jenkins, center, with Social Democratic Colleagues William Rodgers and Shirley Williams

In its 1980 report, compiled before the riot but issued last week, the Commission for Racial Equality cautiously criticized the government for its failure to reassure Britain's minorities that they have equal protection under the law. But Chairman David Lane said that the current disturbances had "not been racial, still less race riots," adding that black-white relations among individuals were still good.

The public at large seemed to go along with that conclusion, perhaps because black and white youths often fought side by side. A poll released by Independent Television News (I.T.N.) showed 36% blaming high unemployment among young people for the riots, 27% the failure of family discipline and 13% criminal hooliganism by the young. Only 2% cited "bad feeling between white and colored people."

But other experts, and blacks themselves, felt that racial discrimination was a significant factor. "As soon as I come in for a job interview," says a young black woman, "it's no." Adds a black youth in Brixton: "The police intimidate black people. They assume that you are a criminal. You can't walk out to buy some bread without getting stopped and searched." American Sociologist Nathan Glazer believes that the British riots are much in the mold of the American race riots of the 1960s. Says he: "What you have is a group of people who have full legal rights as citizens, yet are deprived of full social and economic participation in the society. This is a version of the American dilemma: blacks had full legal status but not full economic status."

In the aftermath, British officials insisted that there was no evidence to suggest that extremist groups, of either the left or the right, had planned or directed the riots. Such a report was given to Thatcher by the Security Service (MI5). However, left-wing groups like the Militant Tendency and Young Socialists did try to exploit the troubles once they got started, circulating pamphlets calling on rioters "to sweep them out." And the extreme right-wing National Front and its rival, the British Movement, are suspected of having helped bus young white toughs, called "skinheads," to a punk-rock concert in the Southall district of London, known as "Little India." One of the first riots broke out that night. But there is nothing to substantiate stories that either right-wing group provoked the fighting.

Trying to understand what happened, Kenneth Kirkwood, the Rhodes Professor of Race Relations at Oxford, blames what he calls Britain's inability to recognize social changes and pursue long-term solutions to social problems. "The British people are a people of vast common sense," he says. "They are excellent in an emergency—look at the response during World War II—but unfortunately they seem to often fail in dealing with broad problems over the long term."

Still, Kirkwood feels that the English have a knack for adapting to new circumstances when they have no alternative. If the soul searching last week was any indication, Britain might yet be able to adapt to the pressing demands of its disadvantaged. —*By Marguerite Johnson. Reported by Ken Banta and Frank Melville/London*

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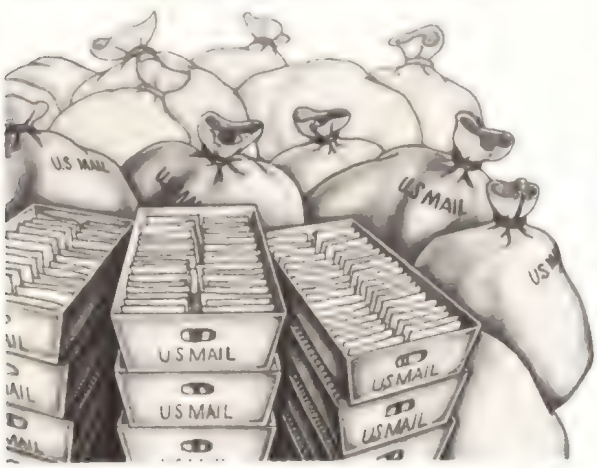

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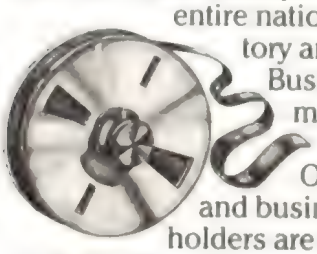

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MIDDLE EAST

Escalating the Savagery

Israel bombs Beirut, the P.L.O. attacks—and the innocent die

It was 11 a.m. on a bright summer day, when suddenly all of Beirut shook with the roar of bombers and the thunder of antiaircraft artillery. Small puffs of white smoke began to dot the sky as local militia groups fired in vain at the screaming jets. When the fury of the attack finally ended, two hours later, at least 200 people were dead and 600 injured, victims of the first Israeli air raid against the Lebanese capital since 1978. The target of the jets: specific Palestinian offices within the city.

The raid, the latest foray in the increasing warfare between Israeli forces and Palestinians, left Beirut in a state of shock. Lebanon's President Elias Sarkis called for a special session of the U.N. Security Council and summoned the American and Soviet ambassadors for separate talks. In the aftermath of the raid, a new wave of bitterness, directed not only at Israel but at the U.S. as well, swept through the Arab countries of the Middle East. In Beirut, newspapers referred to the attack as "the Apocalypse" and as "a massacre of Lebanese civilians," and described it as the bloodiest air raid against an Arab city in the 33-year history of the Arab-Israeli conflict.

The main target of the Israeli planes had been the Palestine Liberation Organization's several commando offices in West Beirut. The command centers of two important components of the P.L.O., Fatah and the Popular Front for the Liberation of Palestine, escaped virtually unscathed, although the headquarters of two smaller groups, the P.F.L.P.-General Command and the Syrian-dominated Saiqa, were partly destroyed. The most serious damage took place in densely crowded areas like the Fakhani district behind the Fatah center, where half a dozen large office and apartment buildings collapsed. Israeli officials said the object of the attack was to go to the source of terrorism, but the principal victims were Palestinian and Lebanese civilians, an almost inescapable consequence of a policy of attacking thickly populated areas.

On Saturday, Israeli warplanes returned to southern Lebanon for the third straight day, once again directing their fire at Palestinian guerrilla strongholds. In the meantime, the P.L.O. announced that it had launched the latest in a series of rocket attacks on northern Israel as a "down payment" on its promised retaliation for the "air massacre" that the Israelis had committed in Beirut. At week's end an alliance of leftist Muslim groups in Lebanon called for the stationing of Soviet-made SA-6 antiaircraft missiles in Beirut. Such a move would challenge Israel's command of the skies over the city; it would also increase the danger of further escalation by one more deadly notch.

The latest round of attack and counterattack had begun a week earlier when Israeli warplanes staged a strike on Palestinian guerrilla targets near the Zahrani River in southern Lebanon, killing three people and wounding 20. Two days later the Israelis struck again, this time hitting a guerrilla base at Damur, ten miles south of Beirut, killing five and injuring 25. After another two-day interval, the Israelis attacked once more, damaging Palestinian and Lebanese leftist bases near the southern town of Nabatiyeh and at Jazzin and Basir in south central Lebanon. Ten were killed and 90 wounded. In a dogfight between Syrian and Israeli jets, the first such encounter in five months, a Syrian MiG was destroyed.

The Israeli Cabinet had been in session for just 40 minutes on Wednesday afternoon when it received the news of the first important retaliatory strike by Palestinians: two northern Israeli towns were under heavy rocket attack. By the time the onslaught ended, almost two hours later, Palestinian guerrillas in southern Lebanon had fired as many as 120 Katyusha rockets across the border, concentrating on the Israeli coastal resort town of Nahariya (pop. 30,000) and the settlement of Qiryat Shemona (pop. 20,000). The attacks killed three Israelis and injured 25. The assault had been well aimed and well timed to maximize casualties; salvo after salvo of rockets, fired at ten- or 15-minute intervals, fell on the two communities at an hour when many of their residents were homeward bound from work and thus unprotected.

The selection of Qiryat Shemona as a target had a special significance for Israelis, who remember the Palestinian attack of 1974 on the settlement that left 18 Israelis dead, including eight children. In the recent election campaign, Prime Minister Menachem Begin had vowed: "Never again shall Katyusha rockets hit Qiryat Shemona." When he learned of the latest attack, Begin, who is on the verge of forming a new government with the help of three small religious parties, is said

Rubble of bombed-out buildings in West Beirut where Israeli planes staged their daylight raid

Rescuer removing the body of a young girl

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to have reacted with great emotion. "He was angry, tough and vicious," a Foreign Ministry official said later. Clearly the Israeli response would not be long in coming, and it was not.

On Thursday, Israeli planes destroyed six important bridges in southern Lebanon, thereby cutting the main roads south from Beirut and isolating such Palestinian strongholds as Nabatiyeh, Tyre and Hasbaya. Then on Friday morning, in their fifth strike within seven days, the Israelis launched their assault on Beirut, hitting not only at Palestinian and Syrian positions near Beirut airport and the Kuwaiti embassy but also at the Shatila refugee camp. On Saturday, as Israeli planes made still another raid on southern Lebanon, Palestinian guerrillas lobbed a few more Katyusha rockets at northern Israel. The Palestinian action was noteworthy less for its scope than for the fact that it occurred so soon after the Israelis had knocked out so many bridges in the region. Israeli authorities concluded that the Palestinians were using mules, which can ford streams, to transport the sophisticated rockets to launching areas in southern Lebanon.

In the exchange of raids, the casualty figures so far greatly favor the Israelis. Indeed, in the 18-month period ending July 1, only 21 Israelis were killed as a result of Palestinian attacks from Lebanon. During the same period, at least 400 Palestinians and Lebanese were killed by Israeli attacks. Of these, 90% were civilians, according to U.N. officials in Lebanon. Since the Israeli raids resumed a week ago, three Israelis have been killed; on the Lebanese side, at least 275 have died, the great majority civilians.

P.L.O. Chairman Yasser Arafat, appealing to Arab heads of state for "your swords, not merely your blessings," declared that the latest Israeli raids marked the beginning of a large-scale campaign to remove the Palestinian guerrilla presence from southern Lebanon. In Jerusalem, a ranking Israeli officer speculated that the best way of dealing with the guerrillas might be to "blitz our way, round the clock, into southern Lebanon with long-range artillery fire." On the other hand, said another officer, the Israelis might decide to bide their time before carrying out "a combined air, land and sea operation, whenever the conditions call for it."

As for causing civilian casualties, Menachem Begin was making no apologies. "We will not intentionally direct our fire against the civilian population," he declared. "We shall, however, continue to attack terrorist bases and headquarters, even if they are purposefully located in the vicinity of or within civilian concentrations." The responsibility, he added, "shall fall on those who seek immunity for themselves by knowingly endangering civilians." The Israelis obviously feel they have the options—and the firepower—to do as they like. —*By William E. Smith. Reported by David Halevy/Jerusalem and William Stewart/Beirut*

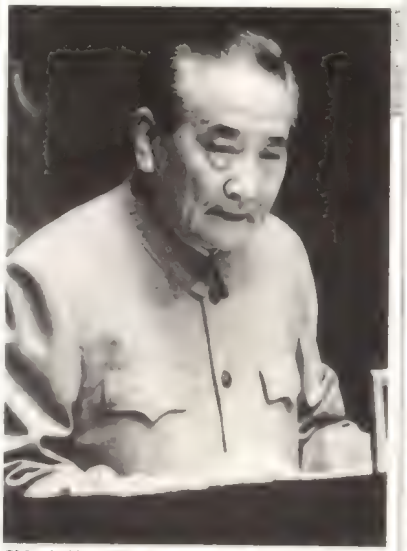
UNITED NATIONS

By Persuasion—or Pressure

The U.S. joins a plan to get Viet Nam out of Cambodia

"It is not our intention to bring Viet Nam to its knees. We only want to bring it to its senses." So declared Singapore's Foreign Minister Suppiah Dhanabalan last week as 93 governments met in a special U.N. session to discuss a complex and contentious problem: how to persuade—or pressure—Viet Nam to pull its 200,000 troops out of Cambodia.

Right from the start, the conference faced one major handicap: the absence of the three principals. Boycotting the session were Viet Nam, which has occupied Cambodia for the past 30 months, and the Soviet Union, which had bankrolled the Vietnamese invasion. Cambodia, whose government was installed by Viet Nam, was not invited.



China's Han Nianlong addressing the U.N.
But the three principals were absent

Still, the U.S. and the five-country Association of Southeast Asian Nations (ASEAN)* hoped that the conference would provide what Washington termed a "framework for settlement" and offer some inducements for Hanoi to retreat from its costly adventure. ASEAN introduced a plan designed to dispel Hanoi's fear that its enemy, China, might attempt to seize Cambodia if Viet Nam withdrew from the country. The proposal called for disarming all forces contending for power in Cambodia, including 30,000 to 40,000 Chinese-backed Khmer Rouge guerrillas. A neutral, interim government under U.N. supervision would then be established to organize free elections.

In Phnom-Penh, a Cambodian official scoffed at the idea of an effective U.N. peace-keeping force. In Moscow, TASS characterized the conference as a "provocative farce." Peking was outraged at the prospect of disarming the Khmer Rouge. At the U.N., the plan was opposed by Han Nianlong, China's acting Foreign Minister, who warned about Vietnamese "duplicity." At week's end a vague compromise plan was adopted that called for "appropriate arrangements" to ensure that armed Cambodian factions would not be able to prevent or disrupt elections —if any should ever occur.

At issue was not only the fate of the long-suffering Cambodians but also the competing strategic interests of China and the Soviet Union. The Soviets have been subsidizing Hanoi at a cost of $3 million to $6 million a day since 1979, after the Vietnamese ousted the Peking-supported Pol Pot government from Cambodia. In turn, the Chinese have armed the Khmer Rouge guerrillas, who have been harrying Hanoi's occupying army. Ultimately, Peking seeks to restore the Pol Pot regime to power in Phnom-Penh in spite of the fact that his Communist regime slaughtered an estimated 3 million Cambodians during a reign of terror that lasted nearly four years. One theory to explain why China did not back the ASEAN proposal was that it wants to keep on bleeding Viet Nam and the Soviet Union for a while longer.

Speaking at the U.N., U.S. Secretary of State Alexander Haig indirectly suggested that economic aid might be forthcoming for Viet Nam if it would pull out its troops. He warned that the U.S. would "continue to question seriously any economic assistance to Viet Nam, from whatever source, as long as Viet Nam continues to squander its scarce resources on aggression." Washington has already succeeded in temporarily blocking $118 million in aid for Viet Nam from the U.N.

At the same time, the U.S. has joined China and ASEAN in promoting a united front of the various forces in Cambodia fighting the Vietnamese. Since the main component would be Pol Pot's Khmer Rouge, the Reagan Administration is in the anomalous position of backing, however obliquely, Communist combat forces. Says a senior State Department official: "We would be willing to provide political and psychological assistance, but we are not committed to military aid."

To complicate matters even further, U.S. policy in Cambodia is rooted in a strategy that extends far beyond Southeast Asia. At the U.N. last week, Haig put the matter bluntly. He told Moscow that as the "financier" of Viet Nam's occupation of Cambodia, the Soviet Union has a "special obligation" to resolve the issue. In the future, improved relations between the Soviet Union and the U.S. may be influenced by Moscow's behavior at conferences on Cambodia as well as in talks about getting out of Afghanistan. ■

*Indonesia, Malaysia, the Philippines, Singapore and Thailand

DIPLOMACY

Trying to Stop the Nukes

Reagan announces a new policy to curb proliferation

In what it called a bid to "re-establish a leadership role for the United States in international nuclear affairs," the Reagan Administration last week issued a seven-point policy statement that both reaffirmed Washington's commitment to preventing the spread of atomic weapons and pledged the U.S. to be a "predictable and reliable partner for peaceful nuclear cooperation." Administration officials hailed the new program as being far more realistic and effective than that of Jimmy Carter. But critics claimed that the policy was much too vague to stop the frightening spread of devastating weapons and the potential for building them.

At the least the statement showed that President Reagan was increasingly concerned about the stark problem of more and more nations getting their hands on the bomb, or on the materials and expertise to make one if they so desired. As recently as January 1980, Reagan said that nuclear proliferation abroad was not "any of our business." There is no such attitude in the Administration today. Among the new guidelines are 1) continued support for the 1968 international nuclear nonproliferation treaty (N.P.T.) that prohibits the development of atomic weapons by the signatories; 2) a commitment to forge other international agreements to combat proliferation; 3) a commitment to "inhibit the transfer of sensitive nuclear material, equipment and technology" from the nuclear haves to the have-nots; and 4) a pledge of strong support for the world's only nuclear weapons watchdog, the U.N.-sponsored International Atomic Energy Agency (IAEA).

But Reagan was also breaking sharply with the approach of the Carter Administration, which had tried to slow nuclear proliferation by strictly controlling nuclear exports from the U.S. In 1978, at Carter's urging, Congress passed the Nuclear Non-Proliferation Act. This forced all would-be nuclear customers of the U.S. to accept international inspection safeguards, as provided by the N.P.T., over all their nuclear facilities, whether U.S.-supplied or not, as a condition on buying more atomic material from America. The same act vetoed the transfer of U.S. exports to a third country without prior U.S. approval, and tried to force client countries to rewrite their previous nuclear agreements with Washington to conform to the new and tougher standards. But the Carter plan had only limited success. By the end of his term Carter was reinterpreting it himself by selling 38 tons of embargoed uranium to India despite the fact that New Delhi, which had exploded a nuclear device in 1974, refused to sign the N.P.T. Carter's rationale: the need for the U.S. to strengthen its shaky ties wth India at a time when the subcontinent was overshadowed by the Soviet takeover of Afghanistan in 1979.

The Reagan Administration's approach is based more on enlightened free trade in nuclear goods than on restrictions. By actively encouraging responsible atomic exports and other forms of international cooperation, the U.S. hopes to

be in a better position to discourage bomb building. Says an Administration official who helped in the intense effort to complete the nuclear policy so that it could be discussed at this week's seven-nation summit meeting in Ottawa: "We feel that two of the driving forces behind nuclear development in some countries are lack of energy security and military security. The response, therefore, is not to cut off these countries, to make them more insecure, but to cooperate with them so they will feel less pressure to manufacture explosives."

The plan also aims to soothe Western allies. Reversing another Carter initiative, it promises to allow other leading industrial powers, such as West Germany, France and Britain, to continue to develop controversial advanced nuclear technologies that produce large quantities of explosive plutonium. If a more lenient approach is not taken, the Administration statement argues, "other countries will tend to go their own ways and our influence will diminish."

Word of the Reagan program drew tentative approval from Washington's closest European partners. British officials "welcomed" the initiative and promised to "continue to play a full part" in nonproliferation efforts. The attitude of France's Socialist government, as echoed in the left-leaning daily *Le Monde*, contrasted Reagan's plan favorably with Carter's policies as being "more coherent than before"—and then said that further judgment would await the Ottawa summit.

What bothers the critics of Reagan's policy is that it does too little, and they point out that there is no time to lose. According to informed estimates, nine countries now have the ability to join the six nations that are avowed nuclear weapons powers (the U.S., U.S.S.R., Britain, France, China, India). Another 16 countries are expected to be able to join the nuclear weapons club by 1990. With that probability in mind, Reagan's program has been sharply criticized by Democratic Senator John Glenn, one of the prime backers of the Non-Proliferation Act. Said he: "It is much weaker, more flexible, more general than anything I imagined. The Administration argues that with this blueprint they can engage more effectively in quiet diplomacy. We've seen too much of that lately. Let's see some leadership now." Said California's Alan Cranston, the assistant minority leader in the Senate: "I am particularly disappointed that the only policy statements that go into specifics seem to suggest a green light for more nuclear exports." Said an aide to Republican Senator Charles Percy of Illinois: "There is nothing wrong with the guidelines, but there is not a whole lot right with them either. They are all Mom and apple pie stuff." In response to such concerns, both the House of Representatives and the Senate late last week passed resolutions calling for a further tightening of safeguards on international atomic transfers.

Such grave worries aside, it remains to be seen how the Reagan Administration will put into effect its new nuclear-policy guidelines. As Senator Glenn has noted, "Based on this policy, the Administration could be a tough opponent of proliferation, and it could be a more lenient one." The challenge for the White House will be to use its rules to aid mankind with the atom while limiting the proliferation of nuclear weapons, which, warn scientists and politicians alike, will lead to disaster. —*By George Russell. Reported by Gary Lee/Washington*

Illustration for TIME by David Suter

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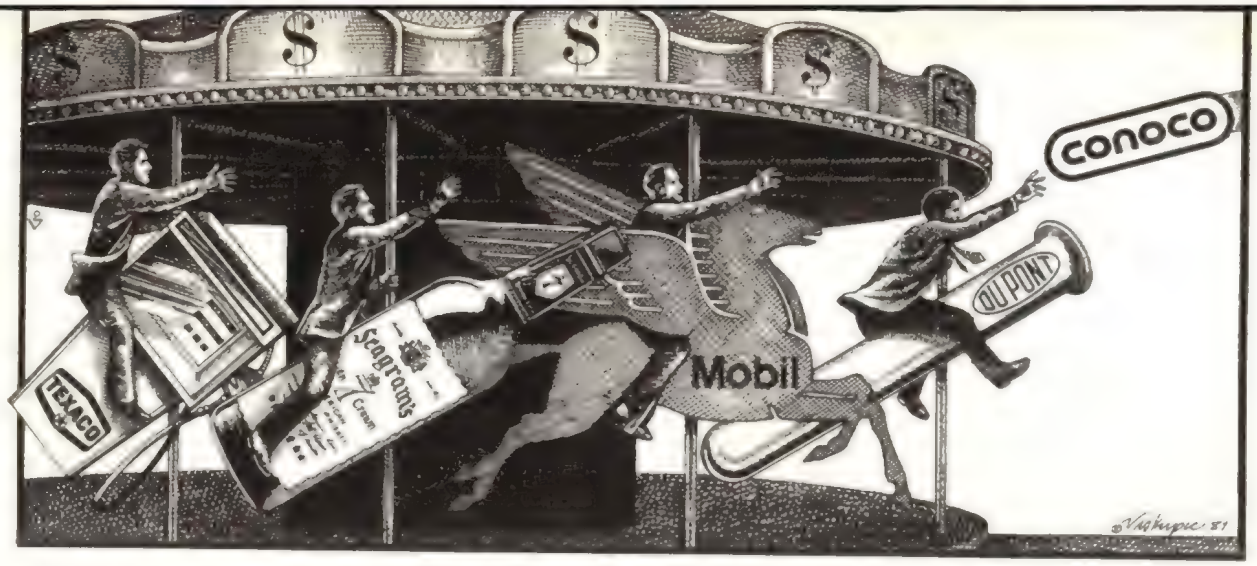

Economy & Business

Reaching for Conoco's Riches

Four corporate giants in the wildest merger whirl ever

The contest for control of Conoco, the energy company laden with 1.7 billion bbl. of oil reserves, 3.8 trillion cu. ft. of natural gas and 14.3 billion tons of coal, whirled on last week at a billion-dollar pace. The opponents: Du Pont, the largest U.S. chemical producer; Seagram, the world's biggest liquor distiller; Mobil, the second largest American petroleum company; and Texaco, the third-ranking oil firm. As the price for Conoco whirled higher and higher, the contestants launched a global financial free-for-all and corralled almost $20 billion in standby credit at multinational banks from New York to Tokyo.

Two weeks ago, Conoco revealed that Du Pont was its choice as a partner. After five days of frantic negotiations capped by a midnight meeting on July 5 between Conoco Chairman Ralph Bailey and Du Pont Chairman Edward Jefferson, the two companies agreed to merge. Jefferson offered $7.3 billion, or an average price of $84.20 per Conoco share. The deal seemed to save Conoco from an unwelcome takeover bid from Canada's Seagram, which had offered $73 per share for about 41% of the oil company's stock. Conoco had also spurned an $85-per-share bid from Texaco, largely out of fear that federal trustbusters might block a union of two huge oil firms.

Instead of ending the affair, however, the Du Pont–Conoco merger announcement merely unleashed a new flurry of financial maneuvering. Within four days, Texaco quietly arranged $5.5 billion in credit from a group of banks led by Chase Manhattan. Pundits speculated that Texaco was gearing up to boost its bid for Conoco or pursue another oil company. Meanwhile Edgar Bronfman, Seagram's tenacious chairman, was mulling his own countermove. He called his board of directors into a special session. The verdict: up the ante. The new offer: $85 per share for 51% of Conoco stock.

Du Pont's top officers immediately huddled at their Wilmington, Del., headquarters to size up the new Seagram challenge. During a marathon session in the walnut-paneled executive committee room, Chairman Jefferson exhorted his troops: "Du Pont is a strong company, and we're going into this thing to win."

Then still another bidder joined the action. Mobil put together a $5 billion credit package, and Chairman Rawleigh Warner Jr. issued a statement leaving little doubt that his company was poised to pounce. Said he: "We know Conoco and the business it operates. Conoco is a great company with fine resources and excellent management and personnel." Surprisingly, Warner's message shrugged off possible Government objections, saying, "Preliminary studies indicate that a Mobil-Conoco merger would not create difficulties under existing antitrust guidelines."

Rather than wait for Mobil's move, Du Pont launched a pre-emptive strike. Chairman Jefferson called Conoco's Bailey with a sweetened offer: $7.6 billion, or $86.19 per Conoco share. At the same time, Du Pont went back to its banks to boost its line of credit from $3 billion to $4 billion in case it needed more money to capture Conoco.

After Du Pont's new offer, an uneasy and temporary lull settled over the competition. Explained a top financial adviser to Seagram's Bronfman: "We're just going to sit back for a while and see what happens." But then, after three days of waiting, Mobil moved. It offered $7.7 billion, or $90 per share. The other bidders immediately returned to their calculators to plot their next ploys.

In the end, Conoco shareholders will determine whose offer wins. Though Mobil's bid is now the highest, analysts still believe that Du Pont has the best chance because of the antitrust uncertainty surrounding the oil firm's offer. Says Garo Armen, of the E.F. Hutton investment firm: "Du Pont has the edge even though Mobil's offer is higher. Seagram is out of the running on price."

Seagram's chances also received a blow last week when Conoco announced that it had received a warning letter from the Arab state of Dubai, where the firm pumps nearly a fourth of its oil supply. The letter said that Conoco's production in Dubai would be in "grave jeopardy" if the company were acquired by Seagram. Dubai's displeasure was seemingly caused by Bronfman's position as president of the World Jewish Congress.

The bidding for Conoco continues to rise because of the company's huge treasure chest of natural resources. Conoco has oil drilling rigs from the Gulf of Mexico to the South China Sea, coal mines

from West Virginia to Alberta, natural gas wells from Texas to the North Sea and uranium deposits from New Mexico to Niger. Since the first oil price explosion in 1973, the value of Conoco's assets has soared from $2.6 billion to $14 billion. The firm's oil and gas holdings alone have a value of $2.3 billion on Conoco's books, but experts say that they are actually worth as much as $9.3 billion. Even at $90 per share, the oil firm is a bargain. Some analysts calculate that Conoco shares are worth more than $140.

Conoco is not the only resource-rich firm that is ripe for acquisition. High interest rates have depressed the price of stocks, including the shares in many energy and mineral companies. Speculators suffering from what Wall Streeters call the Conoco syndrome are now swarming to buy shares of corporations they think will be the next takeover targets. Their favorites seem to be medium-size oil companies. In the past two weeks, the price of Cities Service stock has surged by 12%, Marathon Oil shares by 19% and Kerr-McGee by 17%.

Many of the coveted companies moved swiftly last week to protect themselves from a takeover. Cities Service has lined up $1 billion in standby credit, possibly to enable it to buy back a chunk of its own stock in the event of an unwanted merger bid. Marathon Oil has arranged to borrow up to $5 billion. Analysts think that Marathon might be preparing to buy another company and thus become too big to be easily swallowed. Even Gulf, the fifth largest U.S. oil company, announced a plan last week to protect itself by buying up 5% of its own stock.

Attractive companies have felt ever more vulnerable since President Reagan took office. When the new Attorney General, William French Smith, asserted that "bigness is not necessarily badness," merger makers saw his words as a green light to corporate takeovers. If the present torrid pace of acquisitions continues, U.S. companies could spend $70 billion this year to absorb more than 2,000 other firms. Says Robert Lekachman, professor of economics at New York's Lehman College: "The Reagan Administration has unleashed the wildest collection of mergers and takeover events since Napoleon conquered most of Europe."

The merger binge has brought protests from several prominent Democrats on Capitol Hill, including Senators Edward Kennedy and Howard Metzenbaum. Says Metzenbaum: "If Mr. Reagan wants to eliminate the antitrust laws, he ought to come up here with legislation, not skulk around accomplishing the same thing through inaction." Republican Senator Strom Thurmond promised last week that his Judiciary Committee would hold hearings on the Conoco question.

At the Justice Department, Antitrust Chief William Baxter seemed to backpedal a bit from the Administration's big-is-beautiful stance. Said he: "If the companies think we're generally soft on mergers, they're going to be in for a big surprise." Baxter stressed that while the Government was generally receptive to so-called vertical mergers of firms in different businesses, it would look skeptically upon horizontal combinations that might seriously reduce competition within an industry.

Yet many Washington antitrust experts, including some within the Justice Department, predict that the Government will ultimately approve a merger between Conoco and one of its suitors—even Mobil or Texaco. They point out that contrary to conventional wisdom, the oil industry is highly competitive. Under present antitrust guidelines, the Government considers an industry to be exceedingly concentrated if four or fewer firms control 75% of the market. In the oil business, the top four companies account for less than 20% of sales. By contrast, four auto firms control 70% of the market, while four steel companies have 44% of that business, and four corporations have 58% of all aluminum sales.

The acquisition of Conoco by even one of the biggest oil companies would not drastically alter the industry's balance of power. In the case of retail gasoline sales, for example, neither a Texaco-Conoco nor a Mobil-Conoco combine would hold more than 7.4% of the market. Observes one Administration antitrust lawyer: "It wouldn't be like Ford and General Motors merging."

No matter who eventually wins the battle for Conoco, the whirl of mergers in the oil industry is likely to continue. The losers of the current campaign will still be left with billions in cash or bank credit to buy up other companies, and natural-resource firms will probably be the first targets. The struggle for petropower has barely begun. *—By Charles Alexander. Reported by David Beckwith/Washington and Frederick Ungeheuer/New York*

Matchmaker, Make Me a Match

Corporate mergers are usually a gamble for the firms involved, but there is always one certain winner: the investment banking house that acts as the matchmaker whenever one firm begins courting another. The investment banker's main task is to advise his client on which financial tactics to use, either in taking over another company or in fending off an unwelcome suitor. If one company wants to buy out another, should it offer cash, cash and stock, or a combination of cash, stock and corporate notes? If a company is trying to avoid being bought, should it issue more stock or buy back some of its existing shares on the open market? Few corporate executives could readily answer such questions. Thus they usually turn for help to an investment banking firm.

This corporate matchmaking service is expensive, and million-dollar fees for a few weeks' work are common. According to one estimate, investment bankers this year will earn $500 million from the 60 largest corporate couplings. Top investment bankers earn $1 million and more annually, while vice presidents still in their late 20s make $150,000. Says Felix Rohatyn, 53, of Lazard Frères, who is one of the most respected men in the field: "Things seem to be getting out of hand, both in the fees and in the size of the deals being put together."

The biggest name in merger making at the moment is Morgan Stanley, which is representing Conoco. It will earn a record fee of nearly $15 million on the eventual agreement, no matter which company is successful. Morgan Stanley's merger team is led by Robert Greenhill, 45, a dapper dresser who wears wide suspenders dotted, appropriately enough, with large dollar signs.

Seagram has retained two investment banking firms, Lazard Frères and Shearson Loeb Rhoades, in its effort to snare Conoco. Rohatyn and his Lazard Frères staff of only a dozen handled $10 billion worth of mergers last year. Shearson's group is led by Managing Director Mark Millard, 72, who in 1963 advised Seagram Chairman Edgar Bronfman to buy Texas Pacific Oil Co. for $326 million. Seagram last year sold Texas Pacific to the Sun Oil Co. for $2.3 billion; that money is now providing the bulk of funds used in the bidding for Conoco.

Merger Mentor Robert Greenhill

Mobil, another Conoco suitor, has hired the merger team of Merrill Lynch White Weld, which is headed by Carl Ferenbach, 39. Du Pont has retained the services of First Boston Corp., whose merger mentors, Joseph Perella, 39, and Bruce Wasserstein, 33, last March masterminded Fluor's $2.7 billion purchase of St. Joe Minerals. Their fee for that deal: $3.5 million. If Du Pont wins Conoco's hand, First Boston could pocket as much as $15 million. But even if some other firm walks off the winner, First Boston will still claim a $750,000 loser's fee.

Interest Rates in the Clouds

Expensive money becomes the newest double-digit menace

On the campaign trail last summer, Ronald Reagan promised that, as President, he would see to it that interest rates came down and stayed down. His pledge is already something of an embarrassment around the White House. Instead of declining, as Administration economic officials have been predicting all spring, interest rates have continued to hover at near record levels, weakening businesses, slowing growth and making a mockery of economic and budgetary planning by companies large and small alike.

Last week the Administration officially admitted that its optimism about interest rates has so far been wildly overblown. The backpedaling, which came as part of the Administration's midyear economic review, raises some doubt as to whether rates will decline very much this year at all.

The President meeting with Federal Reserve Chairman Paul Volcker last week in the Oval Office

A gloomy interest-rate outlook in an otherwise upbeat midyear economic review.

Much of the midyear review was distinctly—and determinedly—upbeat. In March the Administration had forecast a 1981 full-year inflation rate of 11.1%, but that figure has now been scaled back to a barely single digit 9.9%, while the 1982 forecast has been shaved by slightly more than one percentage point, to 7%. The lower inflation reflects the softening demand for petroleum, but some economists are now warning that the worldwide oil miniglut may soon end, sending prices, and inflation, upward again.

At first glance, overall economic growth figures for 1981 also looked better. Instead of the modest 1.1% real increase that was anticipated in March, the Administration now projects a more respectable 2.6%. Much of the improvement is a result of robust expansion in the first quarter, when business grew at an annual rate of 8.6%. Many economists fear that prevailing high interest rates may flatten the economy for almost the rest of the year.

There was no disguising the gloomy interest outlook. In March the Administration had somewhat brashly predicted that rates for 91-day U.S. Treasury Bills, the short-term securities that the Government uses to finance much of its day-to-day activities, would be 11.1% for the year as a whole. Yet for the first six months of 1981, the average rate has been 14.58%, and last week it stood at 14.56%. Though the Administration has now boosted its full-year forecast to an average of 13.6% for the bills, even that figure may prove too low.

Since interest on the public debt already accounts for 10% of the federal budget, the high rates are making it harder and harder for the Administration to curb spending. It projects a fiscal 1981 deficit of $55 billion, virtually unchanged from its previous forecast. Actual spending may still rise by at least $6 billion over earlier projections, to $661 billion during the period, with most of the increase coming from interest rate charges.

Just as the high rates crimp the Government, so too do they squeeze businesses. Customers have less to spend, company overhead goes up and profits disappear. In recent months, that grim pattern has become a fact of life for more and more businesses. The gathering retrenchment is an important reason that practically every major indicator of future economic activity, from orders for machine tools by businesses to the issuance of construction permits for new homes, is now flat or pointing down.

The largest and most profitable U.S. firms are generally having the easiest time coping with the high rates. Business remains robust throughout the defense and aerospace industries, as well as in many mining and natural resource fields. Says Lawrence Klamon, senior vice president of the Atlanta-based Fuqua Industries Inc., a leading Sunbelt conglomerate (1980 sales: $1.5 billion): "Being a large corporation, we have access to capital funds. We can always go to the bank and get another couple of million dollars."

Not all businesses are so lucky. The highly interest-sensitive housing and auto industries have been particularly hard hit. In addition to the industry's giants, tens of thousands of suppliers, contractors and independent dealers and retailers are suffering as well. With business loan rates now in excess of 20%, automobile dealers are finding that they simply cannot afford to carry the cost of a lotful of cars to show to choosy customers. Thus the smaller dealers wind up losing sales to larger competitors who can lure shoppers in with the promise of immediate delivery from a more plentiful inventory.

The nation's thrift institutions, with upwards of $800 billion in assets, have been caught in the worst pinch of all. Savings and loan associations and mutual savings banks provide about half of all residential real estate mortgage financing in the U.S., but they are now having to pay as much as 16% and 17% for some deposits. Since few would-be home buyers are willing to take out mortgages at anywhere near those rates, hundreds of those institutions are slipping deeper and deeper into the red. As a consequence, the Commerce Department last week reported that housing permits dropped 16.4% in June. Warns Irwin Kellner, chief economist for New York's Manufacturers Hanover Trust bank: "If these high rates continue for another two months, I would not be surprised at all to see several large thrift institutions either go under or be forced to merge with larger and still solvent competitors."

Sluggish growth and staggering interest rates have combined to cause a rising number of bankruptcies. Failures of businesses with assets of even more than $1 million are rising sharply. One is Jefferson Screw and Bolt Industries of Elizabeth, N.J. Heavily in debt because of its expensive shop-floor tooling machinery and saddled with a poor credit rating, the company was forced to let its 300 workers go and close up altogether earlier this month. At the time, the cheapest loans it could arrange were at a near usurious 24.75%.

Just where interest rates will now move is anybody's guess. Confesses William A. Niskanen, a member of the Pres-

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24. Can you remember what you were wearing the day before last?	☐	☐
25. Do you usually try to arrive at appointments ahead of time?	☐	☐
26. If it's the last one on the plate, do you hesitate to take it?	☐	☐
27. When leaving a theater, do you fold up your seat?	☐	☐
28. Is the fruit you take the one that's just about to go bad?	☐	☐
29. Do you close the bathroom door, even when you're the only one home?	☐	☐

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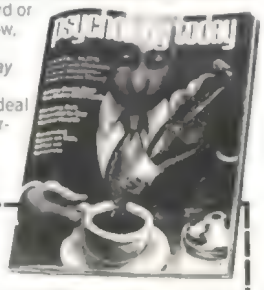

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ident's Council of Economic Advisers: "We should admit that we are puzzled by all this. The reason why rates are staying so high is not obvious to me."

Administration officials are baffled because they have been insisting all along that a tight money policy by the Federal Reserve, when coupled with cuts in federal spending, would bring down interest rates. Lately, the Federal Reserve has certainly been doing its part. Since April the growth of the nation's money supply has been at a near standstill, and in the past month the so-called M1-B, the nation's most widely watched measure of money, has actually been below the Fed's annual target range of a 3.5% to 6% increase.

What troubles Wall Street moneymen, however, is not Federal Reserve Chairman Paul Volcker's tight-money tactic, which they generally support, but the lack of an equally resolute stance on fiscal policy. Some bankers and analysts fear that the President's tax cut plans, plus his projected defense spending buildup, will more than offset the Administration's deep spending cuts elsewhere in the budget, and thus increase the need for federal borrowing. Interest-rate pessimists like investment bank Economists Henry Kaufman of Salomon Bros. and Albert Wojnilower of First Boston Corp., who have been nicknamed Dr. Doom and Dr. Gloom along Wall Street, assert that the prime rate could ratchet up at least above its peak of 21.5% and possibly as high as 25% before the end of the year.

Some bankers even argue that technical factors alone will keep rates from dropping by very much in the months ahead. With long-term interest for such investments as top-rated corporate bonds now as high as at least 15%, corporate treasurers have been postponing bond sales and covering their money needs on a week-to-week and month-to-month basis in the short-term market. In June alone, business demand for such credit jumped at an annual rate of 32%, to $319 billion. Moneymen speak of a "shadow bond calendar" of $10 billion to $15 billion in potential corporate debt that has been waiting to surge into the long-term bond market once interest rates come down.

Though financial razzle-dazzle plays are certain to keep interest rates in turmoil for months more at least, any easing off on monetary policy would assuredly bring only a temporary benefit. An increase in the money supply would first knock rates down slightly, but then it would send them leaping to still higher peaks when inflation exploded anew. The financial markets seem to be telling Washington that they want less federal spending and borrowing. Only if that occurs will interest rates come down and stay down. *—By Christopher Byron. Reported by Bernard Baumohl/New York and David Beckwith/Washington, with other U.S. bureaus*

The Virtues of Doing Nothing

An energy program based on less direction from Washington

Richard Nixon called it Project Independence; Jimmy Carter labeled it the "moral equivalent of war." Last week Ronald Reagan offered his own version of a national energy policy. Unlike preceding plans, the new approach calls, predictably enough, for less Government involvement in solving American energy problems.

In contrast to the insistent salesmanship of Jimmy Carter, who unfurled his 1977 national energy plan during a televised network address from the Oval Office, the Reagan White House downplayed its own energy debut to the point

Secretary of Energy James B. Edwards

A program of less Government control.

of near invisibility. Energy Department staffers simply presented the skimpy, 35-page report and answered press questions during a sparsely attended briefing in the basement of the department's building. Said a DOE spokesman candidly: "The National Energy Act requires an energy policy statement from each Administration. If that were not the case, we would probably just as soon not have come out with a statement at all."

The document, which was long on free market rhetoric but short on specific proposals, made clear that the Administration has no intention of fashioning any new grandiose Government programs. This is a departure from the energy philosophies of the past three Administrations. When worldwide oil prices leaped in 1973 during the Arab oil embargo, the Nixon Administration sought to insulate consumers from the higher costs. Under Gerald Ford energy regulation blossomed into a sprawling federal bureaucracy with responsibilities that reached into virtually every corner of the economy. Later Jimmy Carter reorganized and expanded the apparatus and gave it Cabinet-level status as the Department of Energy. Through all those initiatives, the U.S. energy troubles just worsened.

Even before the Reagan Administration's program was announced, its policy of less Government involvement in energy was clear. Since January, the Administration has scrapped virtually all remaining vestiges of gasoline and crude oil price controls, chopped $3 billion from the fiscal 1982 Energy Department budget, scaled back conservation and solar research programs, and sharply curtailed investment in synthetic-fuel projects. Reagan Administration officials admit that under such a free market energy program, fuel prices will rise until they reach world levels. But they maintain that the payoff will be more conservation of precious fuel, higher domestic energy production, and ultimately less dependence upon Middle East oil suppliers.

Presiding over the Reagan policy is Energy Secretary James B. Edwards, a South Carolina dentist and longtime Reagan supporter, who freely admits his lack of energy expertise. Under Edwards, plans have been made to cut from the department's payroll about 2,500 employees by the end of 1982, a 14% reduction that could become even more pronounced in the months ahead.

Nor was there much real surprise in last week's policy statement asserting that the Government should not have a role in curbing the import of foreign oil. One reason is that American consumption of foreign oil has lately been declining anyway, helped along by sagging demand from the weakening economy, and by increasing conservation efforts by businesses and individuals alike. Figures released last week by the American Petroleum Institute showed imports dropping nearly 23% during the first half of 1981, to 4.3 million bbl. daily. But the U.S. still imports more than a third of its total consumption and during 1981 is expected to spend upwards of $100 billion on imported fuel.

Continued dependence on foreign oil at anywhere near that level remains an inescapable and obvious threat to American security. As long as the U.S. must rely on often unstable governments in the Middle East for such a large share of its petroleum, the nation will remain vulnerable to disruptions and shocks aplenty. Thus, coping with the level of imports will be Washington's responsibility, whether the Reagan Administration is enthusiastic about it or not. ■

Gold Handcuffs

New perks keep workers loyal

Even for the cash-flush oil industry, employees of Mitchell Energy & Development Co. near Houston enjoy some unusually lucrative benefits. Mitchell will finance homes for new workers through its own mortgage company at subsidized rates for up to six years. Executives marked for promotion can receive stock options worth as much as $500,000 —without investing a penny of their own —that are fully redeemed by the company in six years. Some top employees may also receive shares in a company-sponsored oil-well-drilling program. In fact, working at Mitchell has become so profitable that many employees would not even consider leaving.

This is precisely the company's goal. With corporate loyalty as outmoded as the 3¢ postage stamp, Mitchell Energy and many other American companies are examining ways to cut down on job hopping. According to Deutsch, Shea & Evans, a New York executive search firm, most companies expect half of their new employees to leave within five years. Booming industries like energy and computers are among the hardest hit, and some oil companies lose 30% or more of their exploration geologists each year.

The key ingredient of all the new plans is that they give money to employees several years in the future and only if they stay with the company. These ties that bind have become known in industry as "golden handcuffs." While they have long been common for very top executives, the programs are now routinely used for lower-ranking scientists or technicians. "We do not think in terms of locking someone in," says Ed Boches, public affairs director of Data General, a Massachusetts computer manufacturer. "We think that we'd like this person to stay, and this means that we have to do something for him."

In California's booming Silicon Valley, the center of the computer and genetic-engineering industries, companies actively raid each other's employment rolls. Says Art Young, corporate benefits manager of Hewlett Packard, the electronics firm: "Everyone's concerned about losing people." Hewlett Packard's answer is a program that puts 10% or so of its pretax profits into a long-term profit-sharing plan that pays out fully to workers only after they are on the job for 13 years.

Corey Knapp, 25, left his job as an electrical engineer with California's Lawrence Livermore National Laboratories for nearby Sandia National Laboratories. He received a 10% pay raise, two more weeks of vacation and some golden handcuffs. Knapp got a 12% loan for a new car from the company credit union; it will be canceled if he leaves the firm. Only after three years will he be eligible to receive gifts of company stock, or to receive the entire benefits of company contributions to a savings plan.

Despite the best-laid compensation plans, some companies can always woo away competitors' employees with a job offer that cannot be refused. "There is probably not enough money around to guarantee that a person won't leave," says William James, a partner in the Chicago office of Hewitt Associates, a management consulting firm. "A valued executive can likely get his package matched somewhere else." Thomas Wyman, 51, left his post as vice chairman at Pillsbury—and some complex golden handcuffs—for the CBS presidency last year after the company offered him a $1 million signing bonus, a yearly compensation package of more than $750,000, and a promise of three years of salary if he is fired. ■

Electrical Engineer Corey Knapp bought this 1981 Mazda, and his new employer is financing it

With job hopping rampant, U.S. companies are devising new financial ties that bind

Go, Go, Jojoba

Growers bet on a desert bean

"We know it has a great future," says Desert Agriculturalist Kennith Foster of the University of Arizona. "We just aren't sure exactly what it is."

The object of Foster's uncertainty is a brown, peanut-size bean called the jojoba (pronounced ho-*ho*-bah). Nearly a decade ago, researchers found that oil extracted from the beanlike seeds of the jojoba bush, which grows wild in the desert of the Southwestern U.S. and Mexico, could substitute for dwindling supplies of sperm whale oil.

The oil of the endangered sperm whale was used for years in everything from facial cream to transmission fluid. In 1973 interstate sale of the oil was banned in the U.S., but substitutes, including certain fish and vegetable oils, have also been hard to come by.

A group of enterprising ranchers and businessmen is now trying to cash in on the demand for a replacement by cultivating the lowly jojoba plant. Roughly 12,000 acres have so far been turned to jojoba cultivation in Arizona, along with up to 10,000 more in California. The fledgling Jojoba Growers Association of Arizona estimates that potential cultivation could easily reach hundreds of thousands of acres.

The spindly jojoba thrives on the arid conditions of the Southwest. Indians of the region, including the Pima and Papago tribes, once used the bean's oily wax as a hair conditioner to protect against the drying effects of sun and wind.

Since it takes between four and six years for newly planted jojoba to bear seeds in large quantities, no commercially cultivated jojoba oil has yet reached the market. But businessmen are already harvesting and processing the wild bean, and demand is strong. Chief buyers are cosmetics manufacturers, including Max Factor, Estée Lauder and Shiseido, a large Japanese firm. They are using jojoba oil as an ingredient in premium shampoos, moisturizers, sunscreens and conditioners.

With cosmetics demand now far outstripping supply, the price of jojoba oil is soaring. In Mesa, Ariz., Processor Tom Janca sells 55-gal. barrels of jojoba oil for $6,900, almost triple last year's price of $2,500 per bbl. Says he: "We're trying to talk the big companies out of ordering too much. We just don't have enough seeds."

Most growers believe jojoba's biggest market will be in industrial applications. Like sperm oil, the bean oil does not break down under high pressures and temperatures, so it is suited for demanding lubrication applications. Pennzoil and Tenneco are among the companies underwriting research on the use of jojoba as a machine lubricant. If that demand picks up, the new business could quickly take root. ■

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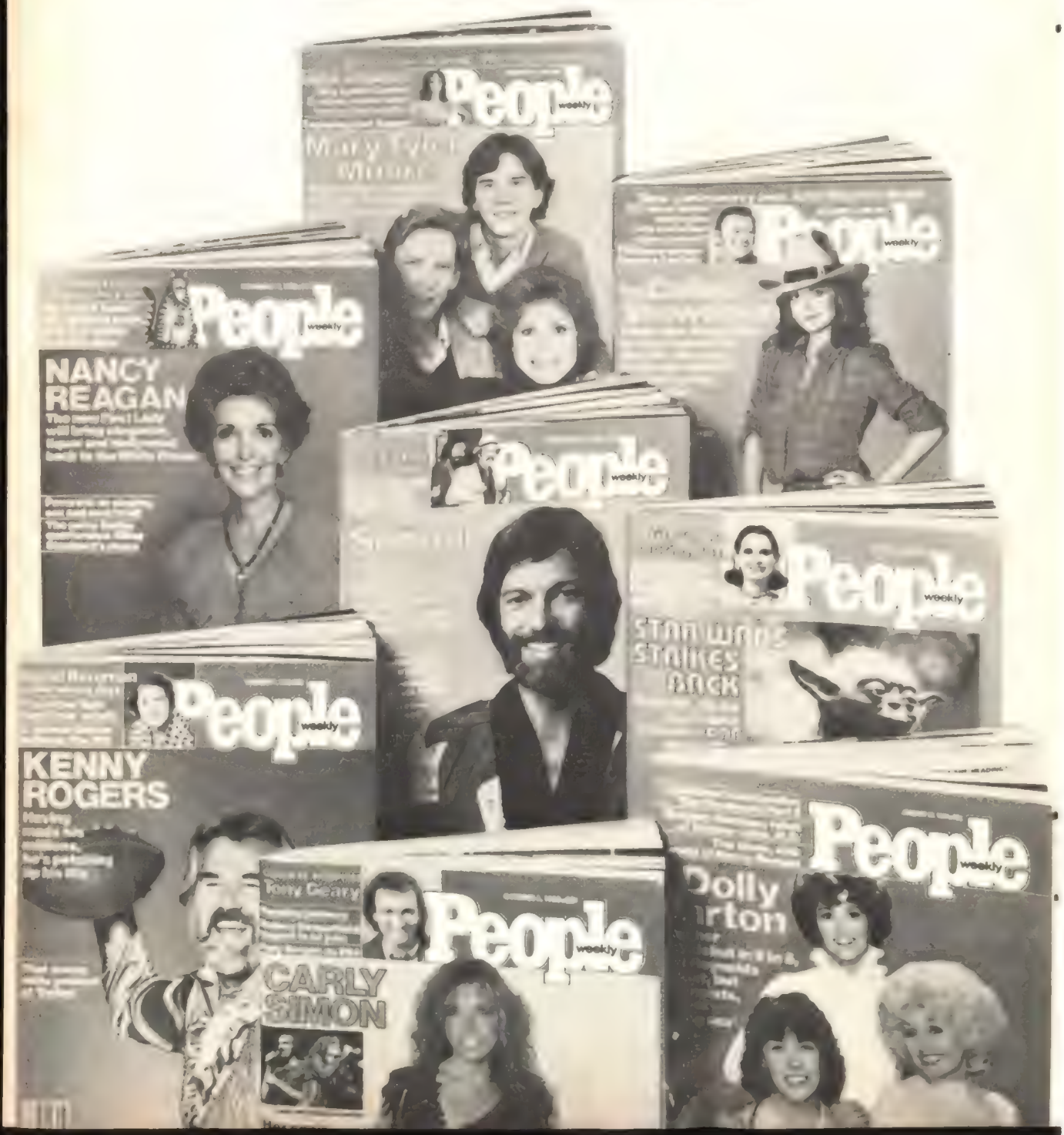

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Coping with Eve's Curse

Doctors are finally treating menstrual miseries

It has many names: period, monthly, that time, my friend. But for many women the most apt description is the curse. For about half of all women of child-bearing age, menstruation is a monthly misery that causes intense physical and mental discomfort. In the U.S. alone, menstrual problems result in the loss of 140 million hours of work a year. Menstrual pain, says Pathologist Laurence Demers of the Milton S. Hershey Medical Center in Hershey, Pa., "probably is the most common cause for absence of women from the work force."

Yet despite its impact, menstrual distress rarely has stirred medical interest. Some attribute the neglect to sexist bias by a male-dominated medical Establishment. Says Family Practitioner Penny Budoff of the State University of New York at Stony Brook: "Many physicians act as if pain is women's due and getting rid of it is almost sacrilegious." A more basic reason may be that doctors have been unable to explain the link between a bewildering array of physical and psychological problems and a normal physiological event. As a result, women have been urged to cope as best they can with bed rest and aspirin, or they have been labeled neurotics and offered tranquilizers. Says Psychiatrist-Endocrinologist Ronald Norris of Boston's Tufts University School of Medicine: "When there's no obvious injury, physicians tend not to be sympathetic." Neither is the public. According to a poll conducted for Tampax, 22% believe that menstrual pain is psychosomatic.

There are signs, however, of a shift in attitude. It stems in part from studies showing that the gripping pelvic cramps as well as the headaches, backache, nausea and diarrhea suffered by many women during their monthly flow may be caused by prostaglandins. These potent chemicals, produced by the body, help regulate functions such as blood pressure, blood clotting and reproduction. Says Demers: "Some prostaglandins made by the uterus precipitate the contractions that are necessary for menses and labor. But when they're produced in excess, the uterine muscle cramps." Carried through the bloodstream to other parts of the body, the prostaglandins trigger additional discomfort.

Some drugs inhibit prostaglandin production. Oral contraceptives, for example, are effective but inefficient. Says Budoff: "You have to take 21 days' worth of pills for 24 hours' worth of relief. And then there are the dangerous side effects" (increased blood pressure, a greater risk of stroke and cardiovascular disease). Aspirin is helpful against mild pain. Most favored today are three drugs used against arthritis: ibuprofen, naproxen sodium and mefenamic acid.

Less understood than menstrual cramps is the premenstrual syndrome. Days or even two weeks before menstrual bleeding begins, many women experience tenderness and swelling of the breasts, migraine headaches, abdominal bloating and acne. They become lethargic, irritable and depressed. Researchers contend that severely distressed women are apt to have accidents, abuse their children or commit suicide or violent crime.

Dr. Katharina Dalton of London's Premenstrual Syndrome Clinic has been investigating the problem for more than a quarter-century. She recently studied

"What makes Mama so cross?"

three female convicts who repeatedly broke the law and found that their infractions occurred only in the days just before their period. One woman with 26 convictions was well behaved most of the time, recalls Dalton, "but would suddenly burst out with some attention-seeking episode like arson, assault, or even trying to strangle herself." These incidents occurred at intervals of about 29 days. Eventually, the convict's charge was reduced from murder to manslaughter on the ground that she had committed a fatal stabbing when she was experiencing premenstrual syndrome.

Dalton believes the syndrome is tied to a drop in the level of the hormone progesterone before menstruation. Her recommendation: supplements of natural progesterone. Her ideas are controversial, but she has some supporters in the U.S. Among them is Tuft's Norris, who opened the nation's first premenstrual clinic last April in Reading, a Boston suburb. In addition to progesterone, the clinic offers other unconventional remedies such as vitamin B6, biofeedback and hypnosis. Also available are traditional counseling, diuretics, tranquilizers, antidepressants and advice to cut down on salt, caffeine, sweets and alcohol.

The most helpful treatment for many women may lie in a simple acceptance of their complaints. Says Virginia Cassara, who last year co-founded Premenstrual Syndrome Action in Madison, Wis., to provide information to physicians and the public: "You'd be amazed at how much just knowing you're not crazy helps." But clearly the educational effort is just beginning. According to the Tampax survey, two-thirds of the public find menstruation an unfit topic for the office or social conversation and one-quarter deem it unacceptable for discussion by the family. *—By Anastasia Toufexis. Reported by Janice C. Simpson/New York and Sue Wymelenberg/Boston*

Sweet News

Approval for a sugar substitute

For anyone afflicted with a sweet tooth, Government rulings in the past decade have been decidedly sour. First the Food & Drug Administration barred cyclamates because they might bring on bladder cancer. Then after saccharin was also linked to bladder cancer, the agency proposed banning that sweetener, an action averted only by an act of Congress. Last week the FDA broke new ground, announcing its approval of a low-calorie sugar substitute called aspartame.

A go-ahead actually was granted in 1974, but was stayed pending investigation of charges that aspartame might cause brain damage and that the animal studies submitted by manufacturer G.D. Searle were flawed. The charges were dismissed. However, the FDA says that aspartame should be avoided by victims of phenylketonuria, a condition characterized by the inability to metabolize the amino acid phenylalanine, that can result in mental retardation. Aspartame contains phenylalanine and will carry a warning on the label.

Searle says there is one-tenth of a calorie in the amount of aspartame needed to match the sweetness of a teaspoon of sugar, which has 16 calories. Aspartame will be sold in tablet or granulated form to consumers next year under the brand name "Equal." Under the name "NutraSweet," it will be a food additive used in breakfast cereals, dessert mixes and powdered drinks. Searle plans to seek FDA permission soon to extend its use to carbonated soft drinks. ■

Some of the 15,000 fans who gathered in Cleveland to protest All-Star Game cancellation

Baseball's Vanishing Season

Boys of summer? 1981 is bringing forth the boos of summer

It began with Billyball and Fernandomania, and could have been, says Dodger First Baseman Steve Garvey, "the greatest baseball season ever." Instead, with five weeks of play already gouged out of the summer by a players' strike and with no settlement in sight, it could be the darkest year for the national pastime since the White Sox threw the World Series in 1919. Nerves are so frayed that by last week the word hatred was being bandied about, mostly to describe the relationship between the two chief negotiators, Marvin Miller for the players and Ray Grebey for the owners. Said Federal Mediator Kenneth Moffett: "Sometimes I feel I should throw my hat in the room to test for gunfire."

One hopeful sign was that Labor Secretary Ray Donovan dropped in briefly at the talks in Manhattan and later invited both sides to meet in Washington, thus raising the possibility that the prestige of the Reagan Administration would help break the impasse. But by week's end the owners turned down Miller's proposal of binding arbitration, and the two sides were no closer to settlement, or even civility.

Peace almost broke out two weeks ago, when Moffett, who had helped avert a strike last year, surprised Grebey and Miller with his own unsolicited proposal for ending the dispute. The plan, closer to the players' position than the owners', was soon accepted by Miller. Snapped Grebey, who has shown a consistent flair for the poisonous comment: "It's a setup. Marvin wrote it." Replied Miller: "That's the worst lie he has told, and he has told many during these negotiations." Said Moffett: "It was very nasty in there. The owners felt that I had blind-sided them."

The issue in the strike has plagued baseball for five years: What compensation should an owner get when one of his players signs with another team? In striking down the 92-year-old reserve clause in 1975, an arbitrator (later upheld by an appeals court) answered that clearly enough: no compensation at all, any more than Gimbels should be paid when an employee quits to work for Macy's. The players, however, agreed to limit their own freedom. They stipulated that only players who had been in the major leagues for six years or more could become free agents, with the old club getting compensation in the form of an extra pick in the annual draft of amateur players. But the bidding quickly reached such absurd heights that by this season, the New York Yankees had committed $23 million over ten years for the services of a .279 career hitter (Dave Winfield), and the Atlanta Braves had tossed $2.5 million over five years at a lackluster outfielder (Claudell Washington). The California Angels alone have spent nearly $15 million on free agents, plus millions more for players obtained in trades, with little to show for it in the standings.

Now the owners want protection from their own irresponsible bidding wars. They are demanding that an owner who signs a free agent be compelled to give up another big leaguer in return. Under their proposed formula, a team could pick any other player from a free agent's new team, once at least 23 players on that team were protected. Though almost all the established stars would be shielded under the plan, the old club could at least count on getting a competent oldtimer or a rising youngster.

The players argue that this would limit the desire of teams to hire free agents, as it clearly does in pro football. Moffett's ill-fated plan suggested slicing the majors into the nine best teams, the middle eight and the bottom nine. If a player from the bottom group went to the top—say, Dave Winfield moving from the lowly San Diego Padres to the Yankees—the old club would get a compensatory player after 24 were protected, and the Yankees would get $200,000 from the Padres. But if Yankee Pitcher Ron Guidry went down two classes by signing with the Padres, the Yankees would get no compensation at all. As for the owners' latest offers, they too apparently come in three-tiered versions and seem close enough to the players' demands to make a compromise feasible. So why the lack of movement?

One theory is that the owners will not negotiate seriously until their $50 million insurance policy runs out on Aug. 8. As it happens, some of the most hard-line owners are from weaker franchises and are making more from their insurance than they would if games were played. The Atlanta Braves, for example, are reportedly turning a profit for the first time since Owner Ted Turner bought the club in 1976.

The other theory is that personal animosity, particularly that emanating from Ray Grebey, is holding up an agreement. A small group of owners, led by the Yankees' George Steinbrenner, the Texas Rangers' Eddie Chiles and the Baltimore Orioles' Edward Bennett Williams, has been sharply critical of Grebey and Commissioner Bowie Kuhn, who has been nearly in-

Phillies' Bob Boone and Orioles' Doug DeCinces talk with reporters

Should Gimbels be paid if an employee quits to work for Macy's?

visible during the strike. Said one owner, speaking anonymously to avoid a $100,000 fine from the owners' strike committee: "Grebey is on a union-busting crusade. It will take a miracle to end the strike."

Meanwhile, players and fans are trying to cope. For the superstars, the losses are astronomical: Houston Pitcher Nolan Ryan, for example, will be out $718,000 if the season is canceled. The big-league perks are gone too. Atlanta's Phil Niekro and Ed Miller were asked to return the cars the team supplies them under the contracts.

Many players have taken part-time jobs. Ken Singleton is a cub reporter for WBAL-TV in Baltimore, and six other Orioles take turns announcing the weather. Richie Hebner received as much national publicity for working as a gravedigger as he got playing first base for the Detroit Tigers. For some, the strike is a more serious interruption. Says Pam Forster, wife of Los Angeles Dodger Pitcher Terry Forster: "The worst part is the realization that there's nothing out there he is trained to do."

The minor leagues are thriving. A triple-A game in Denver drew 59,000 fans, and when a lowly Class A game was put on in San Diego's major league stadium on July 4 it attracted an astonishing 37,000. Many radio stations are inventing games, announcing make-believe action with real fervor. Station KVI in Seattle broadcast its might-have-been 1981 All-Star game, complete with a bat-throwing tantrum by Reggie Jackson after Yankee Teammate Winfield was announced as his pinch hitter.

The city of Cleveland lost an estimated $3 million when the All-Star game, scheduled for July 14, was not played. Every canceled home game costs the Los Angeles Dodgers about $500,000. But at Grif's Inn in Houston, a favorite of Astro fans, business has actually improved. Says the owner: "They come in here every night because their wives had found other things to do while they were at the ballpark."

A few anguished fans are trying to kick the baseball habit. Says David Macias of Ellicott City, Md.: "I am hoping a protracted baseball strike will douse the flame forever and finally cure me of my boyhood obsession with a silly game." A more common reaction, however, has been rage. At what would have been the starting time for the All-Star game, 15,000 Clevelanders gathered near city hall and loosed a collective boo that registered 130 decibels, as loud as a clap of thunder. Jerome J. Mahloch of Sheboygan, Wis., wants fellow fans to show their displeasure in a more palpable way. He is trying to organize a nationwide boycott of all games for one week next season to punish the major leagues for unwarranted abuse of its customers. At that, the lords of baseball would be getting off lightly. *—By John Leo. Reported by Jamie Murphy/New York, with other U.S. bureaus*

Steroid Bust

Plucknett loses his record

No one was more surprised than Ben Plucknett when he broke the world discus record this month with a toss of 237 ft. 4 in. That was a stunning 14 ft. better than his best throw last year when Plucknett edged out Al Oerter to make the U.S. Olympic team, and it came at a time when the California athlete said he was so tired from overtraining that "this shouldn't be happening now."

Most track fans would agree with that assessment after an announcement last week from London: Plucknett has been stripped of his world records and suspended indefinitely from international competition for using drugs, though he may still be able to compete in U.S. meets. The International Amateur Athletic Federation, the world governing body for track and field, said that urine tests taken last Jan. 31 and Feb. 1 at the Pacific Conference Games in New Zealand showed that Plucknett and another athlete—Gael Mulhall of Australia—had traces of anabolic steroids in their blood. Plucknett won the discus throw at the games, and Mulhall, now also under suspension, won the women's shotput and discus. Plucknett's coach denies that he used the drugs and says the urine sample must have been mixed up or tampered with.

Anabolic steroids are synthetic male hormones that can give athletes an extra boost during training and competition. Though side effects are often severe —damage to liver, kidneys and reproductive organs—the drugs allow athletes to train harder and become stronger.

Ben Plucknett

Plucknett and Mulhall were caught by routine urine tests administered to 24 randomly selected athletes at the Pacific games. Such tests can pick up traces of steroids consumed within two months of testing. So athletes who depend on the drugs are usually careful to stop using them before that time. Six or seven athletes a year are banned by the federation on drug-related offenses. Though suspensions are supposed to be for life, the national governing bodies in track and field are allowed to appeal for reinstatement after 18 months, and the soft-hearted federation usually says yes.

The ruling erases all of Plucknett's performances since January, including one world record set last May in Modesto, Calif., and the second in Stockholm this month. He will, however, retain a less desirable record: first person to lose a world mark because of steroid use. That distinction is unlikely to last. Scores of athletes routinely use steroids, and as Plucknett knows, records are made to be broken. ■

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Bad Crash

BLOW OUT
Directed and Written by Brian De Palma

There are three Brian De Palmas—all the grinning, scheming sons of Alfred Hitchcock. With *Sisters* and *Dressed to Kill*, De Palma made his reputation as the *Psycho* student supreme, drawing curlicues of style and cheerfully obscene graffiti in the margins of that seminal horror-movie text. In *Phantom of the Paradise* and *Home Movies*, he displayed an impish, impudent sense of humor that recalls Hitchcock's macabre comedy *The Trouble with Harry*. But the most passionate Brian De Palma—and maybe the real one—is the child of *Vertigo*, Hitchcock's essay on the fatal power of obsessive love. In plot skeleton and flesh tones, De Palma's *Obsession* was a remake of *Vertigo*, and the prom scene in *Carrie* suffused its heroine in a mood of crimson romanticism. *Blow Out*, for all its borrowings from political and cinematic fact and fancy, is one more story of an obsessive idealist lost in a lush forest of intrigue.

Jack (John Travolta) is a sound man, in two ways: he devises aural effects for films, and he carries himself with an air of unassuming rectitude. One night, while on a field trip to tape the whistling wind for a horror movie, he hears the air punctured by the explosion of an automobile tire and sees a car careen through a bridge railing and into the water below. The car contains a presidential hopeful and his lady of the evening, Sally (Nancy Allen). Jack dives in and saves her, but is later warned by police and friends of the deceased politician to forget that she existed. The plot thickens—curdles, really—with hints of Chappaquiddick and Nixonian plumbers, with genuflections to Michelangelo Antonioni's *Blowup* and Francis Ford Coppola's *The Conversation*, with narrative implausibilities and internal contradictions and enough red herrings to stock a Leningrad fish market.

John Travolta in *Blow Out*
Subtle strategies and red herrings

After the simple shocks of *Dressed to Kill*, De Palma is out to deploy subtler strategies. As a result, *Blow Out* is less scary but more skillful. One sequence, involving a murderous attack in a Philadelphia train station, tantalizes with portent and discretion. From outside a toilet stall, we see only the victim's feet fluttering beneath the door and then falling still, the limbs of this defenseless animal at rest at last. And twice De Palma exhibits his favorite technique to suggest confusion and resolution: the camera describes circles—four, six, a dozen—around his characters, ribboning them in place to force them to confront their destinies. The viewer must share their turmoil—feel vertigo or *mal de mer*.

John Travolta, ever the innocent quester, the vulnerable stud, brings charm and passion to Jack's plight, though he can do no more than the other actors faced with several long, redundant dialogue scenes. As an unhinged agent of executive evil, John Lithgow is a study in blank-faced, monotone menace—the G. Gordon Liddy of a liberal's nightmares. The big problem is Nancy Allen (Mrs. Brian De Palma). Her Sally should inhabit the romantic center of Jack's surging idealism. Instead she plays for gum-chewing, damaged-Kewpie-doll laughs. Sally's emotional resonance is tinny; it has no echo to catch the inner ear of a sensitive sound man. She is nothing more than a plot device, a congeries of De Palma's movie references. One imagines the actress and the director standing in an airless, doorless room, the walls draped with flickering movie screens and chattering Dolby speakers, as a camera circles around and around them, faster and tighter, locking them in claustrophobic embrace. For their sake and the moviegoer's, they must try to escape.

—By Richard Corliss

Mad Pash

ENDLESS LOVE
Directed by Franco Zeffirelli
Screenplay by Judith Rascoe

She is, as no one needs to be told, very pretty indeed. But with her flat little voice and her skinny emotional range, one has to wonder: Is Brooke Shields truly obsession worthy? And can she carry, commercially, another movie about another kind of obsession? The answer is no. One simply refuses to believe that even a totally innocent adolescent could be so smitten by this dull if comely girl that he would burn down her house because her father, defending his Oedipal turf, orders him away for a month to cool off.

Brooke Shields in *Endless Love*
Pretty pictures and lifeless lovers.

The love-maddened youth is played by one Martin Hewitt, an unknown chosen for some reason over the customary 5,000 applicants for the job in a talent hunt. He can pout and look earnest; one could almost indulge his presence in a high school production of *Romeo and Juliet*. But he is, at best, a puppy lover, not someone who can portray a lad nurturing his passion for two years in an insane asylum and emerging to find and reclaim his love in the face of all opposition.

Still, the children are not solely to blame for this dreary adaptation of Scott Spencer's novel, which made such an interesting case for madness in love, demonstrating that it is preferable—whatever the cost—to safe "meaningful relationships." Director Zeffirelli seems far too distant from his lovers. He is too concerned with establishing the sweetness and beauty of their affair, not enough with emphasizing what is at its center: an irresistible sexual magnetism that can be so surprising to youngsters that it overwhelms them. Worse, in attempting to suggest the play of memory and inner consciousness, Zeffirelli and Screenwriter Rascoe resort to such stale devices as flashbacks, hallucinatory episodes and ghostly voice-overs. There is even a moment when the action comes to a halt and, yes, a title song is played while all the actors go moony-faced. About the only cliché of '40s psychodrama movies that is missing is a dream sequence by Dali. If the producers want this one to succeed in today's market, they will have to retitle it. *Creature from the Blue Lagoon Meets Ordinary People* ought to do it

—By Richard Schickel

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Cinema

L.A. *Dolce Vita*

THE DECLINE OF
WESTERN CIVILIZATION
Directed by Penelope Spheeris

Consider Darby Crash, lead singer of the Germs. When the band was formed, their manager recalls, "they didn't know how to play their instruments." Darby still hasn't learned to sing into the mike during performances. Instead, he lurches across and off the stage topless, his baby fat segueing to paunch, his voice clogged with booze and speed, his bruised, burned and scarred body looking like a souvenir from a guerrilla war in which he was the only participant. He passes time offstage with his pet tarantula and his friend Michelle, who giggles about the day she and Darby discovered a corpse in their backyard. At night Darby wanders through rock halls as the more engaged members of the audience pogo to the music and slam into each other with the force of bumper cars. Darby doesn't dance much; he simply staggers forward, backward, attentive to some inner music, like the dying of his brain cells. Within the year, the rest of him will be dead, of overdose and ennui, at 22.

Penelope Spheeris' *The Decline of Western Civilization* is a documentary about the punk-rock scene in Los Angeles: music from seven bands (Black Flag, the Germs, Catholic Discipline, X, the Circle Jerks, Alice Bag and Fear), plus interviews with band members, their managers, the club owners, rock writers and fans. It is also an acid test of hipness. You're hip if you see the punks' musical and social anarchy as liberating, bringing rock back to its proletarian roots and also forging ahead. You're out of it if you see this new wave as one of calculated moral repulsiveness, winning converts by courting violence. "I want them to hate me," says Claude Bessy, the singer and rock critic who goes by the name of Kickboy Face. "It makes me feel good." Says another punker: "Nothing else is going on. We're the only form of revolution left."

An L.A. punk fan in *The Decline . . .*
"We're the only form of revolution left"

It may be so. But the punk revolution, like many others, is one of style. Or of antistyle: the incendiary insults, the compulsive tattooing, the head shaved as if recuperating from a Nazi lobotomy. Punk admits to no past; it anticipates no future. And the present is only impulse—the 300 heartbeats a minute of the raucous new rock. This music is rigorously monotonous, a mantra of bully nihilism; the lyrics are surrealist graffiti, spat out indistinctly. Director Spheeris occasionally supplies English subtitles for these messages from a lost world. In interviews she plays the sympathetic den mother to these kids barely out of their teens, and they respond, most of them with patience and decorum. In assembling these chilling images, Spheeris has followed the music's dictum: start at the climax and run like hell. And in providing a punk primer, she has documented a troubling tendency in movies as well as in music: the triumph of aggression over involvement, movement over purpose, action over passion. Alas, nothing much else is going on. —*R.C.*

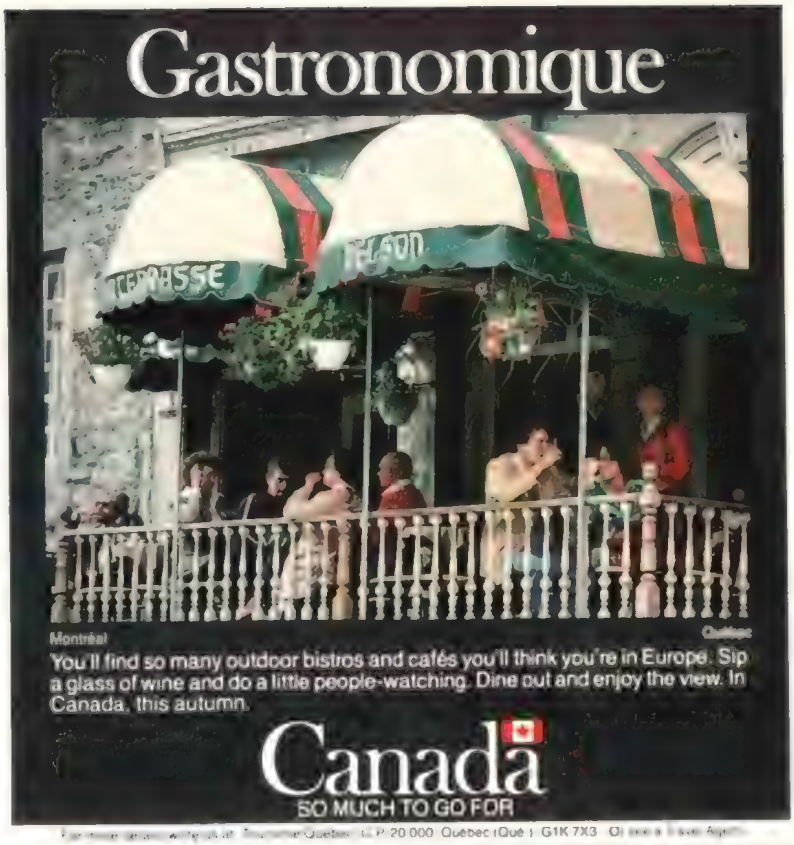
French Lesson

HEART TO HEART
Directed by Pascal Thomas
Screenplay by Jacques Lourcelles and Pascal Thomas

The Roussels have a family tradition: none of their daughters ever contemplates marriage without first becoming pregnant. This does not seem to be a conscious decision, but just the way things work out. This monkey-see, monkey-do tendency renders the father wry and the mother weary. As for the young women, the eldest ends up comfortably settled, the second unhappy to the point of a mental breakdown, while the youngest, after losing her child, decides not to marry.

This may sound like soap opera, but it is not, for Director Thomas has a way of letting his melodramatic moments flow smoothly into the stream of life. Sexual misadventures are part of that flow, but so is the family dog's being discovered by the movies (Thomas casts him as the pooch romping on the beach at the end of *A Man and a Woman*), an uncle whose credentials for believing he is an expert on women consist mostly of the fact that his wife deserted him, a grandfather who has the wisdom to tell one of the girls it is impossible to know whom one has really loved until life is nearly over.

Heart to Heart respects the charm of the quotidian, finds in its little dramas wisdom and absurdity, sadness and folly —and, above all, liveliness. This cheering, but unsappy outlook is much in evidence as the younger generation of French directors, like Diane Kurys and Jean Charles Tacchella, crawls out from under François Truffaut's overcoat. It seems to be an almost exclusively Gallic view, making one want to send the entire American motion picture industry to summer school in France. —*R.S.*



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America's Jeremy Primer, right, trades notes with foreign competitors after contest

Science

High-IQ Battle for the Gold

U.S. whizzes show that they know the score in math olympiad

Like typical teen-agers at a summer camp, they dressed in shorts, T shirts and running shoes, wore their hair in every length and style, and whiled away the hours tossing Frisbees. But there was nothing ordinary about them. The 192 youths who descended upon Georgetown University in Washington, D.C., last week might have impressed even Pythagoras. The world's best and brightest high school math students, they had come from 27 countries, including the U.S., U.S.S.R., Britain, France, Canada and Hungary (but not China), to compete in the 1981 International Mathematical Olympiad.

The brainy battle of wits began in the East bloc, where youthful talent in mathematics is cultivated as lovingly as it is in sports, chess and the ballet. Rumania won the first olympiad in 1959, although the Soviets have been the best performers since then, taking a total of nine golds in what has usually been, in spite of its name, an annual event. The U.S., uneasy about going up against the fearsome East Europeans, did not enter until 1974. But the Yanks have done surprisingly well. They came in second on their first try, then in 1977 won the top spot, becoming the first Western team to do so. This summer, for the first time, they were the hosts.

The all-male U.S. contingent, ranging in age from 14 to 18, was selected in a rigorous elimination that began with the Annual High School Mathematics Exams, a multiple-choice test given to more than 420,000 students last March. The top 150 finishers then went on to the U.S.A. Math Olympiad in May. The eight finalists, along with 15 other youths who hope to qualify in future years, spent four weeks at the U.S. Military Academy in West Point, N.Y. There they sharpened their skills with military-like drilling (reveille at 6:15 a.m., followed by seven hours of problem solving) under Brooklyn-born Coach Murray Klamkin, 60, of the University of Alberta.

The final reckoning came on two consecutive days last week when the competitors, in two 4½-hour sessions, grappled with six problems, selected by an international committee only days before the contest to prevent leaks. These tested skills in geometry, number theory and algebra, yet demanded creativity and originality as much as textbook learning. (Sample problem: three congruent circles have a common point *O* and lie inside a given triangle. Each circle touches a pair of sides of the triangle. Prove that the incenter and the circumcenter of the triangle, and the point *O* are collinear.)*

Though the problems were Greek to laymen and probably would have taxed many a math teacher, the test left the youngsters, especially the Americans, totally unimpressed. "This was a letdown," complained Harvard-bound Benjamin Fisher, 18, of New York City, who said that the exam was far too easy for so important a contest. "I was insulted." Added Jeremy Primer, 16, of Maplewood, N.J.: "It was a joke."

That sounded like youthful arrogance. But at week's end, after the multilingual results had been tallied up, it was clear that the Americans really knew the score. Of the eight competitors, four had perfect papers. That made the U.S. team the leader with 314 points out of a possible 336, followed by West Germany (312) and Britain (301). The Soviets, with only six entrants, placed a poor ninth. ■

*Hint: connect the centers of the circles to form a triangle, which turns out to be a similarly aligned shrunken (or homothetic, as mathematicians say) version of the original triangle

Milestones

DIED. Federico De Laurentiis, 26, son of Movie Producer Dino De Laurentiis (*The Serpent's Egg, King Kong*) and Italian Actress Silvana Magnano (*Bitter Rice, Barabbas*) and himself the producer of the 1978 film *King of the Gypsies;* of injuries received in the mid-air collision of two light planes while he was shooting a documentary on Alaska's annual fish harvest; over Kvichak Bay, Alaska.

DIED. Harry Chapin, 38, folk-rock singer and composer whose poignant, bittersweet ballads about dashed dreams and broken promises included the hits *Taxi* (1972), *W.O.L.D.* (1974) and *The Cat's in the Cradle* (1974); of injuries received when his car was struck by a trailer truck; in Jericho, N.Y. The son of Big Band Drummer James Chapin, he performed for a while during the '60s with a group whose other members were his father and Brothers Tom and Stephen. A social activist and crusader against world hunger, Chapin often organized and appeared in benefit concerts for environmental issues, the arts, and charities like the National Multiple Sclerosis Society.

DIED. William Keeler, 53, president of the ARCO Oil & Gas Co., a major subsidiary of the $24 billion Atlantic Richfield Co.; of wounds received when he and his wife were shotgunned to death by their son David, 14; in Dallas. Police speculated that David, an honor student at the exclusive St. Mark's School of Texas, may have killed his parents during a quarrel over his expulsion from an amusement park the previous day on suspicion of shoplifting.

DIED. Keefe Brasselle, 58, film actor who was best known for playing the title role in *The Eddie Cantor Story* (1953); of undisclosed causes; in Downey, Calif. Brasselle turned to television producing in 1964, but all three of his series were canceled in their first season. In 1968 he published *The Cannibals,* a scathing novel of behind-the-scenes intrigue in the television industry.

DIED. Isaac Soyer, 79, Russian-born painter and the youngest of three artist brothers (the others: Raphael and Moses), who shunned abstraction to portray New York street scenes and working-class people in a style of lyrical realism; in New York City.

DIED. Edward Little, 100, former soap salesman who rose through the ranks to become chief executive in 1938 of the Colgate-Palmolive Co., one of the world's largest manufacturers of soap, detergents and toilet goods; in Memphis. After World War II, Little concentrated on expanding Colgate-Palmolive's overseas plants and operations until they accounted for half of the company's revenues. By the time he stepped down in 1960, sales totaled $600 million for such household staples as Colgate toothpaste and Ajax cleanser.

Fat Fees

More is—well, lots more

Chief Justice Walter McLaughlin retired in 1977 to join his sons' Boston law firm. After ten years on the Massachusetts Superior Court, he was asked what he found most striking about returning to private practice. "The fees," he snapped. "They are outrageous. With the cost of litigation these days, I think clients would often be better off if they just met in the halls and threw dice. Certainly it would be cheaper."

In 1977, legal fees totaled some $18.6 billion. According to the Commerce Department, that figure was up to $23.4 billion last year, nearly 1% of the gross national product. Top big-city law firms like Chicago's Reuben & Proctor currently bill clients as much as $200 an hour, up from a high of $150 in 1975. Superstar trial lawyers like Boston's F. Lee Bailey and San Francisco's Melvin Belli regularly command flat fees that work out to as much as $300 an hour. New York's Louis Nizer, whose clients have included Blacklist Victim John Henry Faulk and major corporations in the film industry, commands a phenomenal $350 an hour, thus earning the equivalent of the nation's median annual income in approximately 44 hours. Admits former Watergate Special Prosecutor James F. Neal, now practicing law in Nashville: "Frankly, I don't want to disclose my hourly rate. I'm embarrassed by hourly rates —not just mine, but everybody's."

In personal injury cases, where large awards are common, attorneys' contingency fees are often determined by state rules or common practice. These fees often amount to huge lump sums, but require greater risk of time and effort on the lawyer's part. Last May, for example, three attorneys and their firms were awarded $10.6 million in fees in the Black Hills, S. Dak., Indian Lands case after 24 years of work.

Rates for most criminal and civil litigation—from complex tax and regulatory cases to child custody and contested divorce—are wholly unregulated. In fact, in 1975 the U.S. Supreme Court struck down an advisory minimum-fee schedule published by a local Virginia bar association as illegal price fixing. As a consequence, legal fees for both corporate and individual clients are determined by such factors as the relative prestige and size of a law firm, the complexity of the case and, of course, time. As Manhattan Attorney Norman Roy Grutman concedes, such calculations, "while not made of smoke, are somewhat amorphous and elastic."

In their own defense, lawyers insist that most legal consumers, while expecting topflight legal expertise, have no idea what it costs to maintain a first-rate law firm. An up-to-date law library can cost upwards of $25,000 annually. First-year associates from the best law schools are now expecting salaries from $30,000 to $40,000 a year from large firms in New York, Chicago and Los Angeles. What is more, telephone bills, rents, messenger services, copying equipment and supplies, plus new computerized billing and information systems, can push a law firm's overhead to 60% of its annual income. Attorneys' fees, lawyers argue, have only kept pace with inflation. One result: clients of such firms tend to be those who can pay the price. "It's like going to the doctor," says Alan Petrillo of the New York State Bar Association. "If I go to see a specialist, I expect to pay more." Adds Grutman: "The pressures are colossal. I say to my clients that I give them slices of my life for which they can never repay me."

Manhattan Attorney Norman Roy Grutman

Calculations not of smoke, but elastic.

Corporate clients, who may spend as much as 30% of their after-tax earnings for legal services, have begun to balk at the rising costs and volume (up 7% to 8% annually) of litigation. In May some 70 corporations sent representatives to a Washington conference held by Consumer Advocate Ralph Nader for advice on paring legal fees. Nader's prescriptions: hire in-house legal staffs to handle simple cases and to monitor billing for outside legal work; diversify legal services by hiring a number of firms, including smaller ones; and settle more disputes through mediation or out-of-court settlements. Though initially met by some skepticism, Nader's ideas are taking hold. In-house legal staffs, in particular, are becoming increasingly common in larger companies. Even corporate lawyers seem to share a growing conviction that, as one Washington attorney puts it, "people are spending too much money on too many lawyers." ■

Briefs

GASOLINE ALLEY

In November 1980, residents of the Denver suburb of Northglenn began noticing the pungent smell of gasoline throughout their homes. Explosions began lifting 200-lb. manhole covers off the ground. An investigation showed that the gas had leaked from the underground tanks of a nearby Chevron service station and found its way into the water table as well as sewer lines serving six residential blocks. Forty-one families in the area, which residents dubbed "Gasoline Alley," sued Chevron for damages. Last week the oil company settled out of court for what could amount to a record $6 million —about three times the amount Exxon reportedly paid in a similar situation last year in East Meadow, N.Y. Chevron agreed to pay the afflicted residents more than twice the appraised value for their homes (or about $150,000 apiece). It also consented to pay an estimated $500,000 to cover interim relocation costs. Chevron has announced a $40 million Tank Integrity Program to avoid future mishaps. But for Northglenn residents that is small consolation. "The settlement was fair, but it could never be enough," said one housewife. "I don't believe you'll ever catch me in a Chevron station again."

CHRISTLIKE COUNSELORS?

More than at most such institutions, admission to Oral Roberts University's two-year-old O.W. Coburn School of Law is a matter of faith. All students must be avowed Christians. Once on the Tulsa campus, they are required to sign pledges to "yield my personality to the healing and maturing power of the Holy Spirit" and "exemplify Christlike character" through prayer. As a result, the American Bar Association threatened to deny the school its coveted accreditation, a condition for admission to the bar in many states. Reason: the requirements seemed to violate A.B.A. standards forbidding religious discrimination in admissions. But in Chicago last week, U.S. District Court Judge James Moran suggested that the A.B.A. code itself might be unconstitutional. Said Moran: "I have very serious doubts whether a compelling state interest in a diverse student body overbears the free exercise of religious rights of the First Amendment." The A.B.A. then hastened to put the finishing touches on a liberalized version of its standard, which would allow schools to hew to a religious tradition if their programs and policies "do not constitute invidious discrimination among applicants." Even at that, O.W. Coburn may not win accreditation. Its insistence on maintaining a Christian litmus test for faculty members runs afoul of even the new standard—for infringing upon academic freedom. ■

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Today's Carlton has even less tar than the version tested for the Government's 1981 Report. Despite new low tar brands introduced since—**Carlton still lowest.**

Box—less than 0.01 mg. tar, 0.002 mg. nicotine.

Box: Less than 0.01 mg. "tar", 0.002 mg. nicotine av. per cigarette by FTC method.
Soft Pack: 1 mg. "tar", 0.1 mg. nicotine av. per cigarette, FTC Report May '81.

Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

People

Palmer watches the birdie

There was a sense of déjà vu at the Oakland Hills Country Club outside Detroit. **Arnold Palmer** and **Billy Casper,** tied after four rounds, needed an 18-hole playoff to determine the victor. No, it was not a rerun of the 1966 U.S. Open in San Francisco when Palmer blew a seven-stroke lead, then lost in a playoff to Casper. This was golf's newest big championship, the U.S. Senior Open, for competitors over 50. Palmer, 51, produced one of his famous charges in the playoff, coming from behind to beat Casper and **Bob Stone** for the $26,000 first prize. One other senior, notably **Sam Snead,** 69, objected to a ban on golf carts, but not Palmer, who has lost 20 lbs. over the past two years by running on the golf course next to his Latrobe, Pa., home. Said a buoyant Palmer: "I haven't played golf like this in five years."

■

The big fish in that little pond is Baltimore Mayor **William Donald Schaefer,** 59. Seems hizzoner promised back in January that the city's new aquarium would be finished by July 4 or he "would jump in the tank." The Fourth came and went—and no completed aquarium. "I'm a man of my word," said Schaefer, and so, toting a rubber duckie and sporting a shoulder-to-knee Victorian bathing suit and a straw boater, the mayor walked the plank and plunked into the seal pool before 300 spectators. Will the aquarium open by Aug. 8, as now promised? Replied Schaefer: "You're going to see a mayor with tape over his mouth." But his lips were not completely, er, sealed. Added the mayor: "Tell the aquarium board chairman that if it doesn't open, he and I go back into the pool and stay there until it does."

Baltimore Mayor Willie Don Schaefer, over his head in promises, takes a plunge

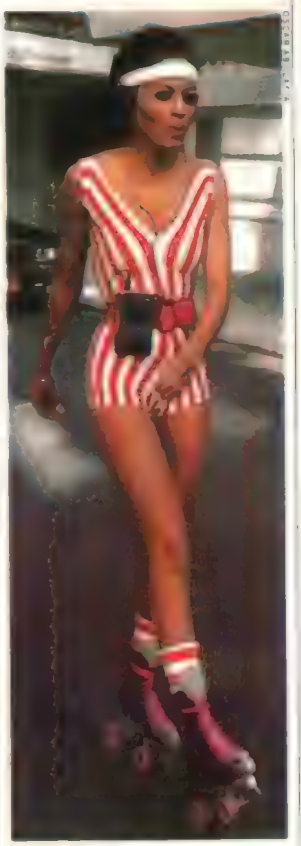
■

Gently rolling, woodsy Dunn, Wis. (pop. 4,965), could never pass for Shangri-la. But the karma was fabulous there last week, thanks to a visit by the **Dalai Lama,** 46, the exiled leader of Tibet's Buddhists. Some 1,500 pilgrims arrived in a caravan of black-and-yellow school buses at the town's 13-acre Deer Park Buddhist Center. The occasion: the spectacular Kalachakra, the wheel-of-time ceremony that all but guarantees participants nirvana. Never before performed in the West, the Kalachakra has been given only six other times by the present Dalai Lama. At the end of three days of praying, the Dalai Lama delivered a sermon on the never-endingness of time. Those who keep their vows are promised the attainment of Buddhahood—after seven rebirths.

■

Some people find it a supreme pleasure to ride in a limousine, but **Diana Ross,** 37, prefers self-propulsion. In midtown Manhattan, where she is recording a new album, Ross likes to ease on down the road on custom-made roller skates, while her chauffeur-driven black Mercedes trails her. Wired for music, Ross glides along to her album, *The Boss,* of a couple of years ago. She notes: "It's great dance music." But what about New York's perilous potholes? She admits that sometimes she does more rockin' than rollin', but the lady seldom sings the black and blues. "Wizzing" around on wheels still has one big advantage: admiring fans can't get at her. Says Diana: "I move too fast." —*By Ellie McGrath*

At a Wisconsin Buddhist center, the Dalai Lama wheels through time



Ross, a "wiz" on skates

On the Record

Barry Goldwater, 73, Arizona Senator, at a Washington sports exhibit: "I've played everything—baseball, football, basketball. I still swim a mile a day. That's why I can't walk."

Sarah Caldwell, 57, after harmoniously directing China's Central Opera Company: "In this world, it is rare to find people who do what you ask instantly without arguing or having to prove something."

Nine Person Precision Ball Passing

American Dance Festival students study Afro-American alfresco on the Duke campus

Social Intercourse above, *Pass* below

Dance

Synthesizer Chic in North Carolina

But what ever happened to intimacy and grace?

Since its beginnings in 1934 at Bennington College in Vermont, the American Dance Festival has been a movable summer proving ground for modern choreography. Early Greats Martha Graham and Doris Humphrey, for instance, welcomed the summer respite from battling ballet in New York City to present new works in sympathetic surroundings. At one point, they also welcomed the opportunity to snub each other: they led their companies to opposite sides of the school cafeteria. But in the decades that followed, the rivalries waned. The festival has nurtured a range of choreography—Merce Cunningham and Paul Taylor, José Limón and Pilobolus. Now held on the Duke University campus in Durham, N.C., the 47-year-old A.D.F. is a raucous gathering of the barefoot clans. Even ballet is now taught as part of the curriculum for the 230 multinational students of new dance.

One aspect has remained constant: after 233 world premieres, the A.D.F. is still the incubator of the eclectic, divisive energy of the art form, a center of experimentation. In its "Emerging Generation" series, as many avant-garde oddities as real innovations have appeared. Overall the record is commendable: the series gave Twyla Tharp, Laura Dean and Senta Driver a widening public acceptance. Says Festival President Charles Reinhart, 50, who took over the A.D.F. in 1969: "For these kids, this is like a bullfighter appearing in Madrid. It's the big time."

This year a quintet of newcomers showed off a variety of styles. From the deep end of a swimming pool to the electronic headache of synthesizer music, dancers writhed, swam, ran and lifted above and well beyond the ordinary. The curtain was pulled back on the future of dance, and the revelation was loud, sometimes disturbing and curiously clinical.

This emerging group of three women and two men are 30 or under. Each had the opportunity to work with young composers. Over the campus came the cries of tortured pianos and punished brass. Exotic instruments punctuated classes in Afro-American, jazz and a variety of modern dance disciplines. The Erick Hawkins technique had students working on the floor of an old gymnasium to the music of Chinese gongs, while others moaned in the transports of "deep muscle therapy." Even professional critics engaged in feisty controversies at the A.D.F. commissary, the Barre. And when attention turned to the six evenings of new dance performances, the arguments intensified. Was it dance or an Esther Williams routine?

Choreographer Johanna Boyce needed an Olympic-size pool to stage, or float, her commissioned piece *Waterbodies*. Five harps were moved to the pool deck at North Carolina State University in Raleigh, the nearest suitable pool, to play Jack Eric Williams' score. A backdrop screen showed footage of underwater escapades while Vermont-raised Boyce and her nine mostly nonprofessional performers splashed, sang, burbled, slithered and dived *de deux*. Far from synchronized swimming, *Waterbodies* explored movement with the playful exuberance of a midnight swim.

Next door in Stewart Theater, Boyce's

Photographs by Frank Fishman—Contact

Pass even resorted to old-fashioned 1960s nudity to exhaust the conceptual theme of the dance. Boyce is never prurient, however, and she consistently entertains. But the naive awkwardness of her troupe gives the work an unintended resemblance to rock group movement.

Marleen Pennison has traveled a very different road. *Free Way* follows the fortunes of a group of blue-collar teens from school to early marriage. Her characters are dressed realistically in polyester. With their unhurried, natural movements, they might have stepped out of Pennison's Louisiana childhood. Like some other new choreographers, she has left the abstract world of myth that some early practitioners of modern dance favored to locate her dances in real geography and time. The result: autobiography that enchants.

Bill T. Jones employs a trio of singers that would do Ray Charles proud to accompany his four-part *Social Intercourse*. Jones succeeds best when he goes beyond a slide show of Martin Luther King Jr. and a vocal background of the James Earl Ray trial. His considerable talent lies in choreographing street reality with a raw vitality, evident in the most exhilarating soul-handshake in theater and the use of a "ghetto blaster" portable stereo.

Both the best and the worst of these new dances expanded from the same conceptual and musical frame: the relentless electronic synthesizer. It powers the whiplash pace of Molissa Fenley's *Gentle Desire*, which only the droogs of *A Clockwork Orange* might find romantic. Stabbing the air, twisting in undefined space, three expressionless dancers —blankness being a hallmark of new wave productions—fail to establish their point. Behind the deafening music there lurks a mad vision of the future: postsexual, postmelodic movement.

Minnesota-born Charles Moulton, a former Merce Cunningham dancer, employs the windshield-wiper synthesizer beat to create compulsively complex patterns in *Nine Person Precision Ball Passing*. Three tiers of three performers each pass colored balls to one another like robots playing an electronic game. Though it was the most professionally polished choreography of the series, Moulton's vision, like Fenley's, occurs in a hyperspace between the mind and the heart. Neither triumphs, and only motion itself, divorced from experience, is explored to its banal extreme.

If Graham and Humphrey might be called the Einsteins of modern choreography, this emerging group plays the part of latter-day physicists examining minute particles to prove the grand principles. In the process, intimacy and grace have been lost. Paul Taylor, after one performance, was a bit frightened. Said he: "My God, have these people ever been touched by life?" Perhaps not, but the answer will not come with the next turnout. Meanwhile everyone into the electronic metronomic pool. —*By J.D. Reed*

Return of the Celluloid Temptress

Sexy and insinuating, Kim Carnes rasps out a winner

It sounds like the theme for some late-show fantasy starring yourself, the title song for a bit of vintage swank. The heroine is available but somehow indomitable, instantly recognizable but infinitely mysterious. She is constructed of several transplanted celluloid dreams and, as anyone who has turned on a radio over the past month will know right away, she has, most distinctively, *Bette Davis Eyes*.

This curious and seductive song, cowritten and recorded by Jackie DeShannon in 1975, has turned into a surprise hit for Kim Carnes, who has been looking for a smash almost as long as *Now Voyager* has been playing on the late show. Carnes, 34, who served time in the late 1960s dishing up freezer-packed folk music with the New Christy Minstrels, has a voice that is throaty without being funky, insinuating but safe, sort of like Lizabeth Scott chugging Vicks cough syrup. Garbo and Harlow are mentioned with Davis in the song, an evocation of a killer-diller temptress who gives the guys a tumble and turns them inside out ("She'll expose you when she snows you/ Off your feet with the crumbs that she throws you").

Carnes relaxes at home in the valley

She'll throw you and she'll snow you.

Carnes maintains that both *Bette Davis Eyes* (which has been the No. 1 single for nine weeks) and the hit album from which it comes represent a significant change of direction for her. She talks seriously about "the new romanticism, which is very big in England right now." She has done a video presentation of *Bette Davis Eyes* that looks like a production number from *Scaramouche* as directed by Federico Fellini. In fact, her Minstrels past and her new romantic future seem equally synthetic. She has, simply, a good solid way with a ballad. She is the kind of stylist an earlier time would have called a thrush, and despite what she calls her "perpetual frog," she sings as if she has a gardenia behind her ear.

For just that reason, she becomes ideal casting for a bit of nostalgic mythomania like *Bette Davis Eyes*. She does not try to camp it, or torch it. Carnes just glides through it, getting inside its slinky rhythm as if it were a cocktail dress cut on the bias. Whatever Carnes may think, this has less to do with rock 'n' roll than with the kind of straight-on pop craftsmanship that distinguished some of her previous albums, an unashamed hovering right above the middle of the road.

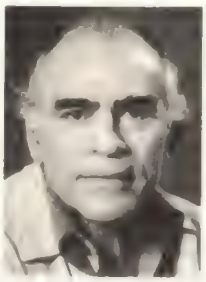
Carnes and her husband Dave Ellingson have collaborated on songs recorded by Sinatra (*You Turned My World Around*) and Streisand (*Love Comes from Unexpected Places*), keeping themselves comfortably off the dole while they waited for Kim's career to take off. Kenny Rogers, who like Kim and Dave is a Christy Minstrels alum, gave a boost last year when he recorded one of their tunes, *Don't Fall in Love with a Dreamer*, as a duet with Kim. That chart pacer paved the way. Carnes had a successful follow-up single on her own, but *Bette Davis Eyes* could become the kind of standard that turns a comer into an institution.

The Ellingsons, who live in a ranch-style house in Los Angeles' San Fernando Valley and weekend at a cabin on Lake Arrowhead, are taking their son Collin, 6, with them on tour this summer. Carnes in concert will be trying on the new romanticism for size, promoting her fresh-minted image as a sort of upscale Debbie Harry. "The title of my album *Mistaken Identity* is really a statement of the direction I want to go," she explains. That does not mean she wants to be misunderstood but rather that she feels she has been misunderstood for too long. "Last year everyone pegged me as a country singer because Kenny is. But I want to keep a variety of styles because they all reflect different sides of me. I've always loved rock 'n' roll. I'm not a manufactured product. I've made a point of changing." Changes are fine, of course. Just as long as the gardenia stays fresh. —*By Jay Cocks. Reported by Elaine Dutka/Los Angeles*

Bold Hand at the Guthrie's Helm

Three classics with a new look in Minneapolis

Sir Tyrone Guthrie, who inspired the founding of the Minneapolis theater named for him and served as its first artistic director, was a man of imposing stature and equally imposing ideals. His very first production, *Hamlet*, in 1963, gave the theater its credo—to strive for excellence in the classics. His immediate successors, Douglas Campbell and Michael Langham, also British, helped to make the Guthrie a kind of flagship of the U.S. regional theater movement. In recent years that image has been tarnished, but the choice of Liviu Ciulei (pronounced Leave-you Chew-lay) promises to burnish it again. A Rumanian who speaks five languages, Ciulei, 58, was trained as an architect and went on to scenic design, acting and directing in Bucharest. He did his first work in the U.S. at the Washington, D.C., Arena Stage in 1974. He is a bold innovator with a powerful sense of the visual, much like Britain's Peter Brook. To the Guthrie's great good fortune, he is off to a spectacular start



Liviu Ciulei

DON JUAN *by Molière*

A middle-aging *enfant terrible* from off-Broadway has given the Guthrie's new season its "conversation piece." Director Richard Foreman is a bit of a prankster, but he possesses a painter's eye for shaping scenes and a formidable arsenal of theatricality. He explodes one of his surprises at the very start of this revival. A thunderclap of organ music blasts through the house, sounding as though the seraphic tones of Bach had been mangled in some dungeon of the damned

Growing light reveals a bleak gray back wall and a spectral frieze of figures who may be inmates of a prison or an asylum. Later they will coalesce into a band of Greek Furies or chalk-faced exorcists, hissing and poking little white crosses at the unrepentant libertine Don Juan (John Seitz). At times, blistering white light rakes the audience as if the entire universe of man merited a third-degree grilling

Much of the evening is monstrously funny, but there is an odor of acrid black comedy to it, possibly because Foreman views Don Juan as "a radical with no place to go" in a corrupt society. Molière's Don Juan is radical only in his supreme egoism. He is a law unto himself, a one-man Fifth Estate. He is as cool a rationalist as he is hot a hedonist.

He mocks all social codes as shams that bind the will. When he steals Dona Elvira (Frances Conroy) from the convent to be his wife and then abandons her, he mocks vows made to God and to fidelity. He protests undying love and proffers marriage to two peasant girls (Kristine Nielsen and Hillary Bailey) merely as bait for the gullible. He mocks his fellow aristocrats by tripping them up in the niceties of codes of honor, and his aged father (John E. Straub) by an icy disdain for filial piety

The witness to Don Juan's exploits, and a teeming flagon of comic relief, is his servant Sganarelle (Roy Brocksmith). He makes cowardice an art form. Brocksmith has some of the elephantine grace of Zero Mostel. Seitz's Don Juan is a triumph of stylized scorn. He scuttles about the stage crab-fashion. He gazes into a mirror as if to blot out the scum of the earth. Even in wooing, he masks any show of passion. He is, for certain, a radical Don Juan

Roy Brocksmith and John Seitz racked by pious anxiety in *Don Juan*

As if the entire universe of man merited a third-degree grilling

OUR TOWN *by Thornton Wilder*

It is relatively easy to reduce *Our Town* to geography, a homey, nostalgic pinpoint on a turn-of-the-century New Hampshire map called Grover's Corners. The surface of the play alone will always be strong enough to sustain it. The more hazardous and rewarding task is to pursue Wilder's deeper intention of making Grover's Corners a metaphor, a sort of way station in the multimillennial aspiration and continuity of the human race. Wilder saw living and loving and dying as stages of almost mystical illumination.

In this admirable revival, pellucidly directed by Alan Schneider, we hear the playwright's earthly voice and—something rarer—the splashless echo of pebbles of speculation dropped into a metaphysical well. The Stage Manager (Ken Ruta) narrates the spare plot line. Act I explores the details of daily life in Grover's Corners. Act II is about love and marriage, specifically that of George Gibbs (Boyd Gaines) and Emily Webb (Keliher Walsh). The third act takes place in the cemetery, where Emily, who has died in childbirth, is introduced to eternity

Wilder's thought line is more elusive, since he couched what was most serious to him in playful hints. Take the letter addressed to a resident of the town: "Jane Crofut; The Crofut Farm; Grover's Corners; Sutton County; New Hampshire; United States of America; Continent of North America; Western Hemisphere; the Earth; the Solar System; the Universe; the Mind of God." The line never fails to draw a laugh, but Wilder has offhandedly revealed his grand design. The humblest soul on earth dwells in the mind of God. In the Stage Manager, who serves as Wilder's God surrogate, the playwright gives us a clue as to what that mind might be like. The narrator speaks in all three tenses; he is omniscient. Less than ten minutes after the play begins, a boy comes tossing newspapers onto porches. The Stage Manager knows that that boy will graduate at the top of his class at M.I.T. with a brilliantly promising career as an engineer and will die in France in World War I. "All that education for nothing," he concludes. In short, man is an unwitting instrument of destiny

Throughout *Our Town*, Wilder celebrates the wonder of nature, the beauty of the commonplace and the abiding serenity of simple rituals. Why, then, do men and women take life for granted and fritter away the most precious commodity they possess? Wilder's answer comes

from the graveyard to relive her twelfth birthday. She is enraptured by the moment-to-moment joy of existence and baffled that her mother is blind to it. She pleads with her: "Just for a moment now we're all together. Mama, just for a moment we're happy. *Let's look at one another.*" Wilder seems to be telling us that love is the highest form of vision. That which and those whom we do not love, we do not see.

The pivotal characters in *Our Town* are the Stage Manager and Emily, and Ken Ruta and Keliher Walsh serve the play bounteously. His mode is conversational, and he seems as much the playgoer's friend as his guide. She has a quality of radiance that most befits Emily, who represents consciousness lifted to the plane of enlightenment. In this luminous rendering, Director Schneider and his solid troupe unveil the soul of *Our Town*.

THE TEMPEST
by William Shakespeare

Music seems to filter through the air like stardust. Prospero's cell, which looks like a scholarly sea captain's cabin, is bathed in preternatural calm. On the back wall of the set, oblong and circular apertures frame ravishing glimpses of sunbleached seashores and azure skies. Truly this seems an enchanted isle.

As if to answer Prospero's question, "What seest thou else in the dark backward and abysm of time?" Ciulei has surrounded the stage with a moat of blood. In or near it are strewn various artifacts of Western civilization: the *Mona Lisa*, a vintage cash register, an armless, headless Greek statue of a nude and, most disquieting, an unseen corpse in medieval armor, face down in the moat.

These furnish Ciulei with his main motifs in interpreting Shakespeare's elusive last play. Time and history ravage; art salvages and makes whole. The artist imposes order on the chaos of existence. And something more. Prospero is a kind of philosopher-king who uses his "most potent art" to foster the good, the true and the beautiful, even though he encounters evil, falsity and ugliness. If *The Tempest* ends on a note of wistful melancholy, it may be because the god-in-man, Prospero, can never fully tame the beast-in-man, Caliban.

This *Tempest* is blessedly strong in its cast. Ken Ruta's Prospero would second the dying words of Goethe: "More light!" His books are not manuals for necromancy but tools to tackle the mind's frontiers. Ariel (François de la Giroday) does no balletic miming—a sin of the past, one hopes—but he is the virile, agile agent of Prospero's sorcery. Jan Triska's Caliban is a peasant prole for all seasons, more churlish than malignant.

Near the end Prospero breaks his magic wand and frees those within his power. In Minneapolis, Liviu Ciulei has lifted his own wand, and the dramatic revels have just begun. —*By T.E. Kalem*

Education

Fast Food for the Brain

Network for Learning offers a rich menu for laymen on the run

"Take a spoon, dip it in hot water, and then press it to your creamed face, gently, never pulling the skin, and iron the wrinkles away," explains a middle-aged instructor, demonstrating with a spoon. Thirty-five women and two men watch attentively during the 2½-hour class in a Manhattan high school. The students, who range from an attractive redhead in her 20s to an actor in his 50s,

Wrinkles Teacher Constance Schrader
Tea bags, oatmeal and a postage stamp.

also learn that steeped camomile tea bags applied under the eyes prevent pouches, dry oatmeal helps preserve a youthful complexion, and a postage stamp stuck on the forehead is a good reminder not to frown. And those are only a few of the face-saving tips suggested in a course titled "Wrinkles, Wrinkles, Wrinkles," one of 168 offered this month by a trend-setting new continuing education program, Network for Learning.

There was a time when Grandmother dispensed advice for getting rid of wrinkles. But in an era of increasing specialization, such simple, homespun arts have become the domain of a select few—to say nothing of newer skills needed to cope with daily life. What, for example, is the difference between a Treasury bond and a Treasury certificate, or a condominium and a cooperative apartment? Whether the subject is glamour or gold, condos or co-ops, Network for Learning provides the answers, enlisting experts to explain esoterica in layman's language. Says Jeffrey Hollender, 26, executive director of Network: "We've expanded the bounds of traditional adult education." One of his instructors puts it more succinctly: "We're the fast food of education." The menu offers two entrées: a "one-night stand," running 2½ to three hours straight, or four two-hour sessions spread over a month. Average cost: $35 per course.

An enterprising student who started a window-washing business at age 14 and never finished college, Hollender was fascinated by the notion of a "skills exchange," suggested in Ivan Illich's *Deschooling Society*. He put the radical education idea into practice in Toronto in 1977; that nonprofit institution now has 30,000 students a year. Then in 1979 he rounded up $60,000 and opened for business in Manhattan's Greenwich Village. From an initial enrollment of 400 in its first month, Network has grown to 4,000 students a month so far this year.

Network's phenomenal success is due, in large measure, to Hollender's shrewd ability to live off the fad of the land. Network offers a class, for instance, on how to crack crossword puzzles. Gourmets can learn to concoct Japanese raw fish delights or cook a vegetarian Chinese dinner. Singles can practice "Love Strategies for the Successful Woman" and find "Fifty Ways to Meet Your Lover." Those interested in other figures can learn how to incorporate their own businesses, make investments under $2,000 and even read the financial page of a newspaper. People who want to see the world on $15 a day are counseled by Travel Writer Arthur Frommer. John Rand, vice president of the advertising firm Ogilvy & Mather, teaches a class in writing ad copy.

At the start Hollender was as relentless in recruiting instructors as he is in attracting students. He would walk into a gourmet shop and ask the owner to teach a course in opening a food store. But today experts come to him asking to teach; he accepts only 10% to 15% of the applicants. Teachers earn an average of $30 to $40 an hour, and can make as much as $12,000 a year teaching one course a week. But for many the rewards are more than monetary. Says Rand: "Anyone who works hard all day and enrolls in this kind of course is not your usual student. The caliber is fascinating."

Last year Network grossed $1.5 million, and Hollender now plans to expand by including other cities (possibilities: Hartford, Conn., and London). He also nourishes hopes of breaking into the new cable TV market. Says the youthful entrepreneur: "Running Network is as close to becoming a college president as I ever want to be." ■

Entertainment on the House

And in it, as "media rooms" usher in a new way of life

Like the lovelorn belter of the 1940s ballad *Don't Get Around Much Anymore*, more and more Americans are becoming chronic stay-at-homes. The high price of a night on the town is a contributing factor, but the lure of an evening in the house is more apt to center on what their owners call media rooms or entertainment centers.

Begotten by the electronics revolution, the thoroughly modern media room comprises an eye- and ear-boggling assemblage of spectacle and sound. According to industry executives, costly home entertainment equipment is among the hottest merchandise around. Scores of specialty shops with names like Video Concepts and Videomart have sprung up to supply sophisticated gadgetry to home-media junkies. Annual stereo and video sales across the country are running at about $2 billion. Says Walter Fisher, Zenith Radio Corp. marketing executive vice president: "The revolution in entertainment electronics has hit not only the high-technology stores but the American lifestyle as well."

For upwards of $14,000, the home entertainer can furnish his room with, say, a big-screen Kloss Novabeam projection TV, a Sony Betamax video recorder, a Panasonic video-tape color camera, an RCA video-disc player, a Yamaha audionics stereo with electrostatic-charged speakers, a film library, video tapes and discs, stereo records and Atari electronic games. He may add specially crafted lounge chairs at $1,000 each and banquettes ($2,000). For the addicted media roominator there is also a computer to keep the collection organized. Some dealers complain that advances in equipment are so rapid there is no way to keep up with the latest electronic toys

For the wealthy, a media room can be an Ali Baba's cave. Gerald Hill, a Wisconsin-based oil explorer, has electronic centers both at his Lake Geneva home and aboard his 86-ft. yacht, *Bravo Papa*. In addition to a vast array of video-stereo equipment in the home room, he has a library of 2,000 movies, including the entire John Wayne film canon and all episodes of the *M*A*S*H* TV series. The equipment in the seagoing media room includes a Javelin night-vision TV camera that scans the ocean or shoreline and projects what it sees on a wide screen amidships. Hollywood Writer-Director Melville Shavelson has so much electronic gear—including a computer hooked up to a U.P.I. news wire—that he has had to divide it between two rooms. Says he: "Theater for the home is already here. A media room becomes a focal point for the family. You make your own popcorn, make sodas at the fountain, drinks, barbecue. I have over my sons and daughters and grandchildren. It's total information. It's total entertainment."

Built-ins make a wall of wonders in New York pad

An integral part of the electronic way of life.

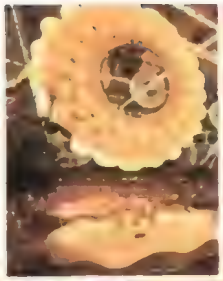
By no means is media mania limited to tycoons or luminaries. For about $7,000, School Administrator Carl Pasco has furnished his North Chicago home with a Kloss TV projector, a complete stereo system, subscription TV and a 300-record library. He plans all his entertainment around the video room, inviting friends and following up dinner with a chaser of a Katharine Hepburn movie or Bette Midler special. Says Bachelor Pasco: "Everyone's entitled to an indulgence."

At parties thrown by one Midwestern home entertainer, guests are invited to the media room to watch an instant videocast of the other guests out in the garden. Many parents project Atari games like Space Invaders and Missile Command for their children on a 7-ft. screen. Super Bowl games look super that way too. Says Chicago Lawyer Charles Witz, a divorcee who has three sons at home: "I encourage them to bring their friends here, where I can build some control over their environment." Boasts Witz, who has projection TV and a library of film and music: "I have enough movies taped to last me for a year without ever going out." Media roomies who share his enthusiasm rattle on endlessly about the advantages of not getting around much any more: no need to fight for a cab, no danger of getting mugged, no standing in line for tickets. And, they invariably point out, once one has paid all those big bucks for the home Odeon, entertainment is for ever after ... on the house. —*By Michael Demarest. Reported by Patricia Delaney/Chicago*

High-tech furniture and TV screen dominate a Boston living room

Gerald Hill's yacht *Bravo Papa* boasts a video-stereo center

Conspicuous Consumption Baroque: a living room in the chic Longford



Mrs. Abrams in opulent bath; (inset) her shell-ringed mirror

Living

For $11 Mil, Xanadu with a Rolls

Superluxurious Los Angeles condos cater to an unlanded gentry

If Samuel Taylor Coleridge were a contemporary real estate developer, he would not have decreed a stately pleasure dome in Xanadu but on a milelong strip of Los Angeles' Wilshire Boulevard. That is where the smart money and the most luxurious dreams currently reside. When construction is finished within two years, 21 high-rise condominium towers will dominate the skyline west of Beverly Hills. They will outprice any concentration of privately owned apartments in the world, including Paris' fashionable Avenue Foch and the moneyed battlements of Manhattan's Park and Fifth Avenues.

One of the four buildings slated to open this summer, L'Elysee, will reap a whopping $68 million for its 109 units, according to the French Najar brothers, builders of the 20-story golden tower. Two-bedroom condos will be a steal at $500,000. Top of the line: $11 million seven-bedroom penthouses at the Wilshire House, with a Rolls-Royce and vanity license plate thrown in. The Rolls may be necessary just to navigate across the 7,000 sq. ft. of floor space, which stretches from one of the eight bathrooms to the climate-controlled wine cellar.

Says Chris Leinberger, executive vice president of Robert Charles Lesser and Co., a marketing consulting firm involved in eight of the Los Angeles ventures: "This strip is the state of the art in condo design." A well-heeled public seems to agree. L'Elysee's recent open house drew 2,000 enthusiastic prospects.

The décor of available condos can be described as Conspicuous Consumption Baroque. Bathrooms, the size of minigyms, will contain more Carrara marble than Michelangelo ever sculpted. Some are *sans* bidets because, the Najar brothers claim, Americans would just plant flowers in them. In the Longford, ordinary Los Angeles water flows from the mouths of dolphin-shaped taps that are plated with 24-karat gold. Other homey touches: large foyers for art treasures, crystal chandeliers and private screening rooms—and owners will be able to summon, with the press of a button, pet walkers, masseuses, engineers and secretaries. The 31-story L'Evian devotes an entire floor to 21 apartments for maids. For those who want to get out of the house, there is an elegant private club, the Regency, just down the street.

Who are the tenants? According to the Najar brothers, they are people who are edging into their 50s. For them, the pastoral pleasures of estate living have lost their appeal, creating a new leisure class: the *un*landed gentry. One building boasts an airline owner, three movie stars and a scattering of upper-crust physicians and attorneys. "I know my art collection will be there when I come home," says Alice Linet, 49, a Belgian diamond dealer, who will leave her luxurious Beverly Hills home (with pool) for Wilshire House. Mrs. Lee Abrams, 46, who moved to the Longford from a San Fernando Valley estate, agrees: "I hate a house. The plumbing is always going out, the roof needs repair, and the gardeners are always quitting. This makes me feel elegant. The valet will even put away your groceries."

Although Los Angeles is the capital of the solid gold condo, it is by no means unique in the U.S. Around Miami, at least 4,000 luxury units are under construction; most are sold out. One of the most lavish habitats, Grove Isle at Coconut Grove, Fla., has a garden graced with sculpture by Alexander Calder and Louise Nevelson. Condo owners at the Turnberry Isle Yacht and Racquet Club in North Miami Beach have access to two Robert Trent Jones golf courses, 24 tennis courts, a marina, health spa and disco.

The ultimate Xanadu may well be the Trump Tower, now abuilding on Fifth Avenue in midtown Manhattan. The top 40 floors of the 68-story building will be given over to condos, some of which will come with private swimming pools. The triplex penthouse apartment will be priced at $24 million. "They're in demand," says Developer Donald Trump. A slight understatement. The 263 apartments in Trump Tower will not be completed until January 1983, but there are already 17,000 applicants from all over the world. *—By J.D. Reed. Reported by Joseph Pilcher/Los Angeles*

The Regency Club library high above Wilshire Boulevard

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Paramount Executive B.P. Schulberg and Actress Sylvia Sidney, a Hollywood Item of 1932

Presenting: The Missing Mogul

MOVING PICTURES: MEMORIES OF A HOLLYWOOD PRINCE
by Budd Schulberg; Stein & Day; 501 pages; $16.95

In his early 20s he helped to create United Artists; before he was 30 he formed his own Hollywood movie company. In the next decade he became Paramount's head of production. The job paid $11,000 a week before "the age of taxes, accountants, business managers and tax shelters [when] the make-it-and-spend-it philosophy ruled the town." He discovered the "It" girl, Clara Bow, and the German character lead Emil Jannings; he promoted the careers of people as diverse as Director Ernst Lubitsch and the Marx brothers. Yet, by his mid-40s he had flamed out. His son began in movies by collaborating with an alcoholic writer named F. Scott Fitzgerald (whom he later commemorated in the novel *The Disenchanted*) and wrote several film classics, including *On the Waterfront* and *A Face in the Crowd*. Today neither Benjamin Percival ("B.P.") Schulberg nor his son Budd is precisely a household—or Hollywood—name. But that odd obscurity is what lends Budd's memoir *Moving Pictures* its poignance and fascination.

Even for his son, it is hard to say what separated B.P. from his more illustrious peers. Certainly his ghetto credentials were as impeccable as theirs, his cigars as long and omnipresent. And he shared their legendary capacity to booze, wench and gamble the nonstop nights away—and to appear at the studio next morning with a clear eye for the main chance.

Maybe B.P. was too much the gambler, more excited by the flow of the play than by the final totals. Maybe his long-running affair with Sylvia Sidney, then one of his most winsome discoveries, diverted attention just as the coming of sound and the Great Depression led to bitter executive battles at Paramount. And maybe he needed to prove that Ad was right after all.

Ad was his wife, founder of the Malibu colony, half-baked advocate of Freud, Dewey and Marx, full-time heckler of B.P. as too trusting, too irresponsible, likely to come to a bad end. "I've decided not to depend on Father—for anything," she told Budd as her marriage wound down. "In all these years he has practically nothing to show for the millions he's earned ... he lives in that dream world of his, with people like ... the Sidney woman telling him how great he is." The solution: Ad became one of Hollywood's top agents, a status she solidified one afternoon on the casting couch of the mightiest mogul of them all, Louis B. Mayer. She paid Budd 25¢ and up for every certified classic he read as a kid, and he acted out her cultural aspirations. But he seems to have vaguely disliked her meddling ways, just as he seems to have vaguely liked his always distant father. Plainly, he wanted to know him better, and her less well.

If, finally, this vagueness about his own deepest feelings mars the author's memoir, it does not diminish its entertainment value. For Los Angeles was still a garden, and the movie industry was not fully industrialized, when young Schulberg was growing up there. His father's first studio shared space with a zoo, there was a race track where the Beverly Wilshire now stands, and Gilbert Roland pressed Budd into service as a note carrier when he was trying to win Clara Bow's favors. Budd's best friend was Maurice Rapf, whose father was keeper of the Bs at Metro, so they had the run of two studios. They could play in Ben-Hur's galley or hide in the lot's fig tree, shying its overripened fruit at passing stars; even Garbo was not immune. When the kids wanted to peddle magazine subscriptions, a chauffeur drove them to their street corners; if they opened an orange-juice stand, their maids pressed the fruit for them. Later, when they required sex education, they could watch the greatest swordsman of them all in action. His name was Fredric March.

If Schulberg cannot quite manage to bring his parents into a well-composed closeup, his long views of their world have the nostalgic charm (and the well-researched historical accuracy) of a good documentary. And the shy, stammering boy who went on to Dartmouth, Communism, anti-Communism and a career as a bestselling novelist has the good sense to understand that his childhood principality was not so far removed from common experience as its critics, both moral and literary, have liked to pretend: "Hollywood, after all, was only a picture of America run through the projector at triple speed." If that were not so, it could never have taken such hold of the national imagination, permitting B.P. and Ad to define the American dream with their work—and to caricature it with their lives. —*By Richard Schickel*

Excerpt

"There I was, with parents in evening clothes, in a fabulous chauffeur-driven carriage of gold. That was all a star-blinded fanatic needed to see.

'Who are you? Who are you?' she shouted at me. 'Are you a movie star?'

'I-I'm n-nobody,' I stammered.

'Nobody?' She was moving along with us, her face peering over the half-lowered window, growing suspicious of movie stars who high-hatted their fans.

'Are you sure? Do I know your name?'

I shook my head. 'I-I'm not in the m-movies. I'm n-nobody j-just like you.'

Still clinging to the coach, she turned around and shouted to the crowd pressing forward behind her. 'He says he's nobody!' Her voice rose. 'Just like us!'

That was as close as I ever came to egalitarianism in Father's dream machine."

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Books

Warren G. Harding

Beyond Parody

THE OHIO GANG: THE WORLD OF WARREN G. HARDING
by Charles L. Mee Jr.
Evans; 248 pages; $14.95

The scene is the Oval Office of the White House, where Warren Gamaliel Harding is talking to a newspaper columnist. The eminent man says: "Oftentimes, as I sit here, I don't seem to grasp that I am President." The statement is too good not to be true. In fact, the entire Harding Administration is a humorist's despair; at a certain point, venality and incompetence simply transcend parody. Historian Charles L. Mee Jr. understands this. His brisk, hilarious retelling of the Harding saga resembles a series of blackout sketches. Facts are trotted out quickly, to speak and bray for themselves.

A genuinely amiable man, Harding rose swiftly in Ohio politics through his unswerving devotion to whatever his G.O.P. bosses wanted at the moment. He was nominated for the presidency in 1920 because the warring pols could not settle on any of the leading contenders. One Senator explained: "Warren Harding is the best of the second-raters." Disillusioned by the war and weary of Woodrow Wilson's high-road crusading, the voters overwhelmingly elected Harding. In the White House, he inaugurated twice-weekly poker games in the library and found a secluded closet for trysts with his mistress.

While the President fiddled, a number of his appointees diddled, in a truly baroque spree of systematic stealing. Attorney General Harry Daugherty was perhaps the most clever and rapacious. Daugherty shared a Washington house with one Jess Smith, a fellow Ohioan and a proven fixer and bribe taker. Smith granted favors and made promises that only the Attorney General could deliver, kept up to half a million dollars buried in a friend's backyard and walked around wearing a money belt filled with 75 $1,000 bills. When the jig was nearly up, Smith committed suicide. To thwart a Senate investigation, Daugherty declared his own records off limits and later resigned.

Then there was Albert Fall from Kentucky. When he was named Secretary of the Interior, Fall was more than $140,000 in debt and eight years behind in paying his taxes. He worked hard and successfully to get federal oil-reserve lands transferred to his own department, then had no trouble finding private drillers who were ready to deal. One of the tracts Fall exchanged for private favors was a spot in Wyoming called Teapot Dome. Meanwhile, Charlie Forbes, head of the Veterans' Bureau, was traveling about the country, letting contracts for federal hospitals. He was generous with the taxpayers' money, paying inflated prices to grateful builders and then pocketing the difference. Forbes also liked to sell Government surplus goods cheap and then restock empty warehouses dear. The buyers, the sellers and Forbes all profited handsomely.

The corruption spread. Even Harding began to notice the borborygmic rumbles coming from his overstuffed subordinates. By then it was too late to avert scandals, although Harding did not live to suffer them. He died, apparently of a heart attack, perhaps complicated by simple bafflement. Today, in a more cynical age, it is hard to believe that so many officials could plunder so brazenly. Mee's version of this gaudy time is light and entertaining. It may also, if the reader wishes, be taken as cautionary. —*By Paul Gray*

Ever Optimistic

THE SAGE OF MONTICELLO
by Dumas Malone
Little, Brown; 551 pages; $19.95

Old age is an optimist's severest test of character. Thomas Jefferson, who made the "pursuit of happiness" part of the American way of life, kept the faith until he died, 50 years to the day after the Declaration of Independence.

Jefferson was nearly 66 when he stepped down from the presidency—the point at which Dumas Malone begins this sixth and final volume of his awesomely thorough biography, *Jefferson and His Time*. But he remained a man of uncommon vigor.

Life at Monticello was a case of hyperactive retirement. Jefferson always argued that no occupation was "so delightful to me as the culture of the earth." Now he had the chance to prove it, every morning after breakfast. Dinner, served at 4, constituted the social hour. The patriot gathered his clan about him: his daughter Martha, who ran the household, plus a varying assortment of twelve grandchildren, as well as random aunts, sons-

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in-law and omnipresent house guests.

In the evening Jefferson read. "I cannot live without books," he confessed. He preferred Greek and Latin classics in the original. He cherished his Homer, his Thucydides, his Tacitus, though he was too much of a pragmatist to abide Plato's "foggy mind."

It was Jefferson's ultimate optimism to believe he could turn the whole world into readers. If human beings were not yet guided by reason, it was because they had not read enough books. So 6,487 volumes from his own library ended up forming the nucleus of the Library of Congress, and he devoted his final energies to founding what would become the University of Virginia.

Jefferson's last years were by no means free from care. Like Job, he suffered from boils. A beloved granddaughter was married to an alcoholic. As friends and relatives died, the old survivor came to feel, he said, like a tree without branches. He was plagued by financial worries. But nothing could cramp his generous heart. When things were at their worst, he was likeliest to buy an elegant $135 watch for one granddaughter, a pianoforte for another.

To the end, he believed that one more bank loan, one more harvest, would turn his affairs around. He was equally optimistic about the rest of the world. Nothing would go far wrong for America if it kept government small and stopped printing so much paper money.

As for Europe, there might be more revolutions, more bloodshed, but most of the Continent, he promised John Adams, would wind up as American-style democracies, upon whose "glorious achievements" the two old Presidents would look down from heaven.

"He underestimated the evil in unregenerate man," Malone concludes. But as a remarkably cheerful old man, Malone, himself now 89, cannot condemn Jefferson for so noble, so American a fault. —*By Melvin Maddocks*

Dumas Malone

"I cannot live without books."

The Twilight of Memory

Its gradual loss distorts conversations of the elderly

The elderly are often considered cantankerous, demanding, self-centered and just plain hard to get along with. Much of that is simple prejudice on the part of the young, and some of what passes for senility has been traced to physical disease. Now a British researcher reports that many unlovable traits of the elderly come from the gradual loss of memory, and the embarrassment it brings.

The researcher, Patrick Rabbitt, 46, is an Oxford University psychologist who specializes in the problems of aging, including memory loss. Over the years, Rabbitt has found that people 70 and older prefer talking to one person at a time: the one-on-one situation focuses attention and shores up poor memory. In a group conversation, the elderly are likely to be tense and more easily confused. While they seem able to remember what was said, they forget who said it, or to whom it was said. In a series of tests with men and women 70 and over, Rabbitt and his colleagues found that a roomful of speakers was too much to juggle for many of the oldsters: those who remembered what was said could not recollect who said it; those who recalled who spoke could not remember what was said.

Another problem, the researchers found, is that the elderly cannot easily switch from one voice to another. Given sequences of sentences recorded by different people and played back on stereo tapes as if the voices were coming from different locations, the old people were usually confused. Rabbitt asked them to repeat aloud everything said on the tapes, and though the subjects did well as long as they could home in on a single voice, whenever there was a change in voice or location, they had trouble.

Finally, the hearing of the elderly often may be adequate for their age, but straining to hear well can drain their energies. Some years ago, Rabbitt did studies for the British Post Office showing that sounds heard through low levels of noise are difficult to recapture. "If you are listening through crackle," he says, "even if you can repeat what is said, you can't remember it as well." By the same token, elderly people with a minor hearing problem may have to concentrate so much to pick up a voice that they forget the contents of the sentence.

These three facts, says the researcher, could explain why old people are often accused of trying to do all the talking. "This is attributed to natural selfishness and some corrosion of personality," says Rabbitt. "In fact, it could just be a defense against the possibility of embarrassing muddle. Just because you've got a poor memory doesn't mean you are not aware of the embarrassment you cause. And one way of not being embarrassed, and of being sure you know what's going on, is to be the only person who has spoken."

Old people in groups sometimes sound like a caricature of a bad cocktail party—each person bursts forth to speak his own mind, apparently without listening to anyone else. Rabbitt calls these outbursts "disjunctive interruptions" and suggests they have nothing to do with egotism or intolerance. "In fact, the old people have little choice," he says. "They can follow each statement, but they get muddled as to the theme, because they lose track of who said what." Once caught in that bind, an oldster has limited options: he or she can always launch a new monologue or simply sit there and let the other monologues go by.

The Bombay-born son of a civil servant, Rabbitt became interested in aging by accident, when conducting routine tests in connection with his Ph.D. thesis at Cambridge, which showed widely varying reactions between young and old. He once tested some 2,000 people in St. Petersburg, Fla., for the U.S. Public Health Service, and his current project is a thorough study of 500 old people in the Oxford area. Though his picture of failing memory is stark, Rabbitt points out that the description hardly fits everyone: 5% to 10% of people in their 70s have memories just as reliable as their grandchildren's. ■

DRAWING BY JOE MIRACHI; © 1976 THE NEW YORKER MAGAZINE, INC.

"Dang it, Ellie, what were *those memories we stored up for our sunset years?"*

Declining Teens

They felt better in the 1960s

First the good news. Fully 85% of normal American teen-agers say they feel happy most of the time. Now the bad news. In fact, things have been going downhill since the early 1960s. Three Chicago-area researchers surveyed 1,331 adolescents, the majority in the Midwest, during the early 1960s and another group of 1,385 in the late 1970s and in 1980. Those in the first group were more confident and trusting, felt greater affection for their families and mastered "their inner feelings and impulses" better. The '70s teen-agers were less secure, had more problems and more worries about their bodies, described themselves as more easily hurt than the earlier group, and had lower ethical standards. "Over approximately an 18-year period," say Psychiatrist Daniel Offer and Psychologists Eric Ostrov and Kenneth I. Howard, "the self-perceptions of American teen-agers apparently have become decidedly less positive."

Their survey, to be published by Basic Books in September under the title *The Adolescent: A Psychological Self-Portrait,* also finds that girls feel worse about their bodies than boys and are less open to sexual feelings. In both decades, the majority of adolescents seemed to be unafraid of sex, but the second group seemed no more sexually liberated than the first. In the 1960s, fewer than one of ten felt "sexually way behind" other youngsters, and by the 1970s more than one of five felt that way. The authors are not sure why the '70s youngsters scored lower than their predecessors, but they think that Viet Nam, Watergate, a fumbling economy and a rising divorce rate have something to do with it. Though the study has an upbeat ending—most teen-agers are in good shape psychologically—about 20% report feeling empty emotionally, are confused most of the time, and would rather die than go on living. ■

Trying to Thwart the Fruit Fly

Fearing a farm disaster, California begins aerial spraying

In Northern California the biological clock was ticking away. As helicopters began spraying the insecticide Malathion on infested areas just south of San Francisco, they were racing against the marvelous reproductive capacities of the tiny Mediterranean fruit fly: a mature female can produce 1,000 eggs over its two-month life span. Last week alone, the targeted area expanded from 120 to 140 to 180 sq. mi. and fears mounted that the fly was about to break out of the Bay Area and move into the lush farm lands of the San Joaquin Valley. The long-range worry: a federal quarantine, which would cripple the state's $14 billion farm industry and send produce prices soaring all over the U.S. Five states—Texas, Alabama, Florida, Mississippi and South Carolina —have already announced bans on most California fruit, unless it has been fumigated.

Despite the urgency, the spraying effort literally had trouble getting off the ground. State officials had to compete with farmers to get their hands on enough aircraft to do the job. When they finally did get helicopters, repeated mechanical failures led some Californians to joke that the choppers were leftovers from the ill-fated hostage rescue mission in Iran. Pilots and ground crews were unaccustomed to the spraying procedures and slow to adapt to the use of the viscous pesticide solution, which tended to clog pumping equipment. It was not until the end of the week that more than two helicopters were aloft at the same time. Observed a U.S. Department of Agriculture official: "I think Murphy's Law has taken over, because everything that could go wrong has."

The state was already waging an extensive land war. Seven hundred members of the California Conservation Corps helped strip fruit from the trees in infested backyards. More than 500 National Guardsmen carted the fruit away, burying an estimated 750 tons in Santa Clara landfill dumps. Roadblocks had been set up at three points and produce was confiscated from 12,661 of the 286,240 cars and trucks checked. But aerial support was vital, and many Californians, especially farmers, were angry that spraying did not start sooner. At first Governor Jerry Brown had resisted, evidently concerned that he would alienate his strong environmentalist constituency. He

A Malathion-loaded chopper leaves San Jose

changed his mind when U.S. Agriculture Secretary John Block began planning a quarantine. Complained California Senator S.I. Hayakawa: "Brown should have done this eight months ago. Now we are in a position of playing catch-up." Then, with customary chutzpah, the Governor requested that President Reagan declare the three infested counties—San Mateo, Santa Clara and Alameda—a disaster area. That way the Federal Government could share the financial burdens inflicted by the Medfly.

After a period of apocalyptic rhetoric, Californians generally took the spraying in stride. Residents of the infested areas were bombarded with information on the safety of the chemical, which according to state toxicologists is only one twenty-fifth as toxic as the pesticide used in flea collars. Brown's fears notwithstanding, state officials said it was safer to spray from the air than the ground. Reason: the Malathion is mixed with molasses, sugar and yeast and falls in coffee-grain-size droplets that cannot be easily inhaled. B.T. Collins, 40, director of the California Conservation Corps, gave the most dramatic demonstration of its safety: he drank a glassful of Malathion diluted with water to the concentration used in the spray.

Few sought refuge at four Red Cross shelters set up outside the sprayed area; one facility was closed down when not a soul showed up. For the most part, Californians simply followed the precautions recommended by state officials. They closed their windows, brought children's playthings inside and covered their cars with sheets or tarpaulins to prevent chemical damage to the paint. They also showed a sense of humor. The Medfly Project Headquarters in Los Gatos dubbed itself "Home of Old Blue Eyes," and a market blossomed for FLY WARS T shirts and MEDFLY SWAT TEAM buttons.

The spraying was all but imperceptible, a fact that frustrated would-be demonstrators. Two protesters keeping a vigil in Palo Alto heard a helicopter overhead but could find no trace of Malathion. "I don't see how it will work," admitted Patrick Long, 29, who held a black umbrella over his head for symbolic effect. "I don't see how the flies can find it."

There will be havoc, however, if the Malathion does not find the flies. The 200 farm products that the flies infest account for about $4 billion each year. Expensive fumigation and cold-storage treatment could save some crops, but there is no way to salvage dates, figs, olives or almonds. California need only look across the Pacific for an example of the fly's destructive power. Hawaii has been infested since 1910. The only fruit it exports in large quantities is the thick-skinned pineapple, which is immune to the bug. Says Dr. Leroy Williamson, a DOA scientist in Honolulu: "Prior to the fruit flies, we had an abundance of fruit. Now we compete with these insects for our food."

A few Californians thought the battle was already lost. Said Terrance Allen, an entomologist who worked in the state's Medfly eradication program last year: "The infestation is so large that we just don't have the manpower and resources to stop it." But Medfly Project Director Jerry Scribner was more sanguine. He noted that the helicopters had become more efficient by week's end, raising hopes that spraying can be completed on schedule. (The original plan called for six applications spread out over a minimum of six weeks.) If this happens, Scribner and his technical advisers feel there is a 98% chance of wiping out the bedeviling bug. *—By Claudia Wallis. Reported by Eileen Shields and Dick Thompson/San Francisco*

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